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STATE TREASURY ACTIVITIES & FUNCTIONS

N · A · S · A · C · T

National Association of State Auditors,
Comptrollers and Treasurers

State Treasury Activities & Functions

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The Council of State Governments
Lexington, Kentucky

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The Council of State Governments
P.O. Box 11910
Iron Works Pike
Lexington, Kentucky 40578

Manufactured in the
United States of America

C-18
ISBN 0-87292-043-7
Price: $10.00

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FOREWORD

The improvement of cash management practices in the states has become important in recent years due to several factors, including the pressures of inflation, increased demands for government services, the recession and high interest rates. In addition, states are currently experiencing revenue shortfalls and pressure to reduce float on federal funds drawn for program expenditures. The sharing of information between the State Treasurers' offices has assisted in the improvement of state treasury management and cash management techniques.

In this study, the Office of State Treasurer, Treasury Functions, and Investment Policies and Practices of 46 states and Puerto Rico are examined. The responsibilities of the State Treasurer and cash management practices vary from state to state; however, the results of the survey should be useful to state officials by delineating alternatives available to them. Knowledge of how similar states handle items is beneficial for three reasons: (1) information can serve as support for proposed changes; (2) information may prevent each state from "reinventing the wheel;" and (3) information can help the states reduce the cost of developing procedures and/or systems.

This report has been prepared for the National Association of State Auditors, Comptrollers and Treasurers. We appreciate the cooperation and assistance of those offices who responded to the questionnaire on which this report is based. The report was prepared by Kay T. Pohlmann, Staff Director, and Beth I. Schumacher, Administrative Assistant for the association.

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Executive Director
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Governments

ACKNOWLEDGEMENTS

Several individuals were involved with this research project and their valuable assistance is gratefully acknowledged. Mr. Jack Kiley, former Deputy State Treasurer, Washington, provided valuable suggestions regarding the questionnaire. Preparation of the questionnaire also benefitted from an earlier study by The Council of State Governments (*State Cash Balance Management Policy,* November 1975).

Mr. Harlan E. Boyles, North Carolina, President of NASACT and Chairman of the Cash Management Committee of the National Association of State Treasurers, and the committee members served as the review committee for the survey. Valuable assistance in the analysis of the data was provided by Mr. Bruce Gillander, Chief, Bureau of Banking, State Treasurer's Office, Florida, and M. Lyle Jacobsen, Assistant State Treasurer, Washington.

Kay T. Pohlmann
Staff Director for NASACT

Introduction

The effective management of state treasury balances is very important in the current state government environment. High interest rates, inflation and the increased demands for government services led state policy-makers to recognize the importance of improving cash management practices. Additional pressures are currently facing many states, such as revenue shortfalls and reducing the float on federal funds drawn for program expenditures. Earnings from a cash management program can be a significant source of revenue to a state as exemplified by Illinois and North Carolina. In 1981, Illinois indicated the cash management and investment program would supply nearly $160 million to the general funds during the fiscal year, making it the fifth largest revenue producer. A similar situation exists in North Carolina, where revenues from the cash management program were $189 million for the 1982 fiscal year, of which $115.7 million was earned for the General Fund—its largest source of non-tax revenue, and fifth largest source of all revenues, tax and non-tax.

Investment of surplus cash is an important function of any cash management program; however, it is only one component of the program. In addition to prudently investing idle funds, the cash manager must be concerned with maximizing the volume of investable funds, negotiating banking relationships, and estimating future cash flows. Once cash flows are improved, banking services provided for, and future cash flow patterns estimated, the state cash manager can undertake efforts to effectively manage surplus funds. The cash manager is responsible for investing these monies in a way that insures an acceptable level of safety, liquidity and yield. These activities may be constrained by statutes as well as by management philosophies and investment objectives. Investment management must work within the operational framework of the state, and it is the responsibility of the cash manager to buy, sell, and trade securities rationally within those established bounds in order to attain the maximum return on state investments.

The cash management environment varies in the states and the sharing of information among the states will enable state officials to identify institutional arrangements and portfolio management procedures used in other states. This study provides information about the Office of State Treasurer, State Treasury functions, cash management techniques, investment policy, portfolio composition and other activities.

Questionnaires were mailed to the State Treasurers' Offices in the 50 states and Puerto Rico in the fall of 1982. Responses were received from 46 states and Puerto Rico. For discussion purposes, the term "states" will also refer to Puerto Rico.

1. Office of State Treasurer

The Office of State Treasurer varies in the states as to the term and method of selection of the Treasurer, the placement of the office in state government, staffing and annual budgets. Tables 1 through 4 contain information on the Treasurer and organizational structure of the office.

The State Treasurer

The State Treasurer is elected in 39 of the 47 states responding, either by the general population or the legislature. The other eight State Treasurers are appointed. In addition to the method of selection of the State Treasurers, Table 1 indicates that there is no limit on the number of terms allowed the treasurer in 34 states and 34 states have four-year terms. Thirteen State Treasurers are serving for the first time in 1983, and seven State Treasurers have served 12 or more consecutive years in office.

Table 2 indicates the State Treasurers' annual salaries range from $22,500 to $70,000, with the average being $43,081.79 for the states responding. In 26 states the State Treasurer has additional amenities, with the majority of them being automobiles.

State Treasury Organization

The legal basis of the Office of State Treasurer is constitutional in 23 states, statutory in 5 states, and a combination of constitutional and statutory in 19 states, as shown in Table 3. The treasury function is an independent agency within the state government structure in 42 states. The average number of treasury employees, excluding Michigan which has 1,600 treasury employees, and Puerto Rico which has 5,000 treasury employees, is 5..

In 37 of the 46 reporting states, treasury budgets were funded primarily with general funds, as shown in Table 4. The average agency operating budget is $14,377,890 for the fiscal year ending in 1982 for the reporting states.

Table 1
OFFICE OF STATE TREASURER
(Questions A1-3, 5, 6)

State	Method of Selection	Term Length (in years)	Number of Terms Allowed	Current Term Ends	Consecutive Years in Office of Current Treasurer
Alabama	Const. Elected	4	2	1/87	5
Alaska	N/R				
Arizona	N/R				
Arkansas	Const. Elected	2	no limit	1/85	2
California	Const. Elected	4	no limit	1/87	8
Colorado	Const. Elected	4	no limit	1/87	6
Connecticut	Const. Elected	4	no limit	12/86	8
Delaware	Const. Elected	2	no limit	1985	1
Florida	Const. Elected	4	no limit	12/86	6
Georgia	Appt. by State Depository Bd.	Board's discretion	N/A	8/83	1
Hawaii	Appt. by Gov.	4	no limit	12/86	2
Idaho	Const. Elected	4	no limit	1/87	20
Illinois	Const. Elected	4	no limit	1/87	1
Indiana	Const. Elected	4	8 out of 12 yrs.	2/87	4
Iowa	Const. Elected	4	no limit	12/86	1
Kansas	Statutorily Elected	4	no limit	1987	8
Kentucky	Const. Elected	4	1	1/84	4
Louisiana	Const. Elected	4	no limit	3/84	14
Maine	Const. Elected	2	no limit	12/84	2
Maryland	By General Assembly Const. Elected	4	no limit	1/87	8
Massachusetts	Const. Elected	4	no limit	1987	19
Michigan	Appt. by Gov.	Gov. discretion	no limit	Gov. discretion	1
Minnesota	Const. Elected	4	no limit	1/87	1
Mississippi	Const. Elected	4	1	12/86	2
Missouri	Const. Elected	4	2	1/85	2
Montana	Appt. by Gov.	Gov. discretion	no limit	Gov. discretion	3
Nebraska	Const. Elected	4	2	1/87	2
Nevada	Const. Elected	4	no limit	1987	1
New Hampshire	Const. Elected	2	no limit	12/84	18
New Jersey	Appt. by Gov.	Gov. discretion	no limit	Gov. discretion	1
New Mexico	Const. Elected	4	1	1/87	1
New York	Appt. by Commissioner of Tax. and Finance	indefinite	N/A	N/A	1
North Carolina	Const. Elected	4	no limit	1/85	6
North Dakota	N/R				
Ohio	Const. Elected	4	no limit	1/87	1
Oklahoma	N/R				
Oregon	Const. Elected	4	2	12/84	6
Pennsylvania	Const. Elected	4	2	1984	2
Rhode Island	Const. Elected	2	no limit	12/82	6
South Carolina	Const. Elected	4	no limit	1/83	16
South Dakota	General Election	4	no limit	12/86	10
Tennessee	Elect./Gen. Assembly	2	no limit	1/85	8
Texas	Const. Elected	4	no limit	12/86	1
Utah	Const. Elected	4	no limit	1984	2
Vermont	Const. Elected	2	no limit	1/85	6
Virginia	Appt. by Gov.	4	no limit	9/83	1
Washington	Const. Elected	4	no limit	1/85	18
West Virginia	Const. Elected	4	no limit	1/85	6
Wisconsin	Const. Elected	4	no limit	1/87	12
Wyoming	Const. Elected	4	1	1/87	1
Puerto Rico	Appt. by Gov., Confirmed by Senate	--	--	--	1

Table 2
ANNUAL SALARY AND AMENITIES OF STATE TREASURER
(Questions A4, 7, 8)

State	*Annual Salary*	*Amenities of Office*	*Member of What Boards and Commissions*
Alabama	$45,000	Auto	Board of Adjustment, Retirement Systems, Heritage Trust Fund
Alaska	N/R	N/R	N/R
Arizona	N/R	N/R	N/R
Arkansas	22,500	Public Relations, State Auto	State Board of Finance, Public Employees Retirement System, Arkansas Highway Employees Retirement System, State Board of Election Commissioners
California	42,750	Auto	Pooled Money Investment Board, Debt Advisory Commission, District Security Commission, State Finance Commission, numerous Bond Financing Authorities and Committees
Colorado	32,500	None	Retirement Board, School Equalization, Deferred Compensation, Revenue Estimating, National Municipal Securities Rulemaking Board, Correctional Industries
Connecticut	35,000	Auto; three executive assistants	Bank Commission, Bond Commission, Financial Advisory Commission, Housing Finance Authority, Development Authority
Delaware	25,700	None	Board of Pardons, Budget Commission, Bond Issuing Officers, Deferred Compensation Council, Capital Improvement Review Board, Group Life Insurance Committee, Health Care Insurance Review Committee, Cash Management Policy Board
Florida	59,835	None	Administration Commission, Department of General Services, Department of Criminal Law Enforcement, Department of Revenue, Department of Environmental Regulation, Governor's Highway Safety Commission, Board of Administration, Elections Commission, Department of Highway Safety & Motor Vehicles, Department of Natural Resources, Trustees of the Internal Improvement Fund, Land and Water Adjudiciatory Commission, Board of Education, Executive Clemency
Georgia	38,016	None	State Depository Board, State Finance & Investment Commissions, Peace Officers' Indemnification Commission, State Properties Commissions
Hawaii	50,490	Limited use of state auto	Board of Trustees, Employee's Retirement System, Board of Trustees of Health Fund, State Planning Policy Council, Hawaii Community Development Authority, Children's Center Advisory Council
Idaho	37,500	Parking space at capital	State Board of Canvassers
Illinois	48,000	Auto	Illinois Building Authority, Illinois Toll Highway Commission, Illinois Municipal Retirement System, Illinois State Board of Investments, State Employees Retirement System, Judges Retirement System, General Assembly Retirement System, Teachers' Retirement System, Illinois Fiscal Commission, State Records Commission, Group Insurance Advisory Board, Data Information Systems Commission, Data Processing Managers Advisory Board
Indiana	34,000	Auto, fuel	Board of Finance, Police Pension Fund, Judge's Retirement Fund, Housing Finance Authority, Board of Canvassers, Fiscal Management Study Commission, Governing Board of Department of Revenue, Board for Public Depositories, Commission on Tax & Financing Policy, State Office Building Commission
Iowa	38,500	None	State Appeal Board, Family Farm Development Authority, Records Management Commission, Executive Council, Management Training Board, Governor's Mansion Authority, Peace Officers Retirement System Board of Trustees
Kansas	30,000	None	Pooled Money Investment Board, Commission on Surety Bonds and Insurance
Kentucky	49,140	Auto	State Investment Commission, Teachers' Retirement System
Louisiana	60,169	Auto	State Bond Commission, State Employees' Retirement System, School Lunch Employees' Retirement System, Housing Finance Authority, Board of Trustees—Group Benefit Program, Interim Emergency Board, Teachers' Retirement System, School Employees Retirement System, State Police Retirement, Deputy Sheriffs' Supplementary Pay Board, Minority Business Development Authority, Second Injury Board, Deferred Compensation Commission
Maine	25,000	None	State Housing Authority, State Retirement System, State Bond Bank
Maryland	62,500	Auto and special expenses	Board of Public Works, Board of Trustees—Retirement System, State Board of Canvassers, Industrial Development Finance Authority, Agriculture Land Preservation, SBA, Health, Higher Education
Massachusetts	60,000	Auto	State Retirement Board, Emergency Finance Board, Board of Banks

Table 2
ANNUAL SALARY AND AMENITIES OF STATE TREASURER
(Questions A4, 7, 8)

State	*Annual Salary*	*Amenities of Office*	*Member of What Boards and Commissions*
Michigan	58,400	Auto	Board of Trustees, Environmental Research Institute of Michigan, Community Development Cabinet, Equal Employment Opportunity Council, Municipal Finance Commission, Resource Recovery Commission, Emergency Municipal Loan Board, Organized Crime Commission, Retirement Boards, State Administrative Board, State Hospital Finance Authority, State Housing Development Authority, Mackinac Bridge Authority, Public School Employees Retirement Board, Central Systems Data Center
Minnesota	36,000	None	Airports Commission, Executive Council
Mississippi	34,000	None	Public Employees Retirement System Board, State Economic Development Corporation, State Housing Finance Corporation, Oversight, State Bond Commission, State Depository Commission, License Tag Commission
Missouri	42,500	Auto	Retirement Commission, Housing Development Commission, Board of Fund Commissioners
Montana	42,000	None	Board of Examiners, State Hail Board, Board of Canvassers
Nebraska	32,000	N/R	N/R
Nevada	41,000	Travel	Board of Finance
New Hampshire	33,400	None	Board of Trust Co. Inc., Municipal Bond Bank, School Building Authority, Deferred Compensation Commission
New Jersey	70,000	Auto	Capital Budget & Planning Commission, Individual Liberty & Personal Privacy Commission, Intergovernmental Relations, Economic Development Authority, Commission on Ethical Standards, Building Authority, Historic Sites Council, Housing Finance Agency, Transit Corporation, Pension Fund Boards, Health Benefits Commission, others
New Mexico	38,500	None	Investment Council, Public Employees Retirement Board, Educational Retirement Board, Mortgage Finance Authority
New York	58,000	None	Housing Finance Agency, Medical Care Facilities Finance Agency, Project Finance Agency, Hazardous Waste Superfund Management Board
North Carolina	47,928	Auto	Council of State, Local Government Commission, Tax Review Board, State Banking Commission, Board of Trustees, Teachers' and State Employees' Retirement System, State Board of Education, State Board of Community Colleges, Capital Building Authority, Capital Planning Commission, Board of Directors—Art Society, Board of Commissioners—Law Enforcement Officers Benefit & Retirement Fund, John Motley Morehead Memorial Commission, Governor's Commission on Governmental Productivity, Auxiliary Board of Awards for State Purchasing & Contracts, Association of CPAs
North Dakota	N/R	N/R	N/R
Ohio	50,000	Auto	Chairman-State Depository Board, Public Facilities Commission, Sinking Fund, Financial Planning Commission for Cities in Distress
Oklahoma	N/R	N/R	N/R
Oregon	42,882	None	Investment Council, State Land Board, Mass Transit Financing Authority, Public Contract Review Board, Municipal Debt Advisory Commission, Short Term Board
Pennsylvania	48,000	Auto	Several (not listed)
Rhode Island	30,500	Auto, travel expenses	Chairman-Retirement System, Chairman-Investment Commission, Ex-Officio-Housing and Mortgage
South Carolina	55,000	--	Budget & Control Board, Chairman-Board of Financial Institutions
South Dakota	33,500	--	Investment Council, Board of Finance
Tennessee	51,500	Auto	Banking Board, Pensions & Retirement Board, Investment Advisory Council, Housing Development Agency, Building Commission, Insurance Committee, Deferred Compensation, Escheat, Industrial Development Agency, School Bond Authority, others
Texas	61,100	None	State Banking Board, State Deposit Board
Utah	36,000	Auto	State Retirement Board, Housing Finance Agency, Permanent Community Impact Fund Board
Vermont	30,000	None	N/R
Virginia	55,000	None	Treasury Board, Housing Development Authority, Public School Authority, College Building Authority, Public Building Authority, Agriculture Development Authority, State Commission on Local Debt, Commission on Outdoor Recreation

Table 2
ANNUAL SALARY AND AMENITIES OF STATE TREASURER
(Questions A4, 7, 8)

State	*Annual Salary*	*Amenities of Office*	*Member of What Boards and Commissions*
Washington	37,200	Auto	State Investment Board, State Oil & Gas Conservation Commission, OASI & Judges Retirement Fund, Board of Curators—Washington State Historical Society
West Virginia	42,000	None	Board of Trustees of Public Employees' Retirement System, State Board of Investments, Municipal Bond Commission, Housing Development Fund, Economic Development Authority, Community Development Authority, Board of Public Works, Lending & Credit Rate Board, Teachers' Retirement Board, Public Employees' Insurance Board, Death, Disability & Retirement Board of the Department of Public Safety, Board of the School Fund, Council of Finance & Administration, Advisory Commissioner to Information System Services Division
Wisconsin	37,334	Auto	Bond Advisory Board, Board of Commissioners of Public Lands, Depository Selection Board, Board of Curators—Historical Society, Insurance Security Board, Citizens Advisory Commissioner to Public Intervenor
Wyoming	52,500	Auto	Board of Charities & Reform, Farm Loan Board, Board of Land Commissioners, State Liquor Commission, State Retirement Board, Capitol Building Commission, Board of Deposits, State Canvassing Board, Financial Advisory Council, Community Development Authority, Commission of Prison Labor, Boards of Wills & Trusts, Investment Advisory Council, Deferred Compensation Board, Group Health Insurance Board, Medical Liability Compensation Fund Board
Puerto Rico	32,000	Auto & Chauffer	N / R

Key: N/R-No Response

Table 3
LEGAL BASIS AND ORGANIZATIONAL STRUCTURE
(Questions B1, 2, 3)

State	Legal Basis			Organizational Structure		Number of Employees
	Constitutional	Statutory	Combination	Separate Agency	Part of a Larger Agency	
Alabama	*			*		45
Alaska	N/R					
Arizona	N/R					
Arkansas			*	*		25
California	*			*		134
Colorado			*	*		15
Connecticut	*			*		62
Delaware	*			*		46
Florida	*				Dept. of Insurance	41
Georgia		*			Dept. of Administrative Services	10
Hawaii			*		Dept. of Budget and Finance	16
Idaho	*			*		13
Illinois			*	*		120
Indiana	*			*		13
Iowa			*	*		20
Kansas		*		*		47
Kentucky			*	*		42
Louisiana			*	*		45
Maine	*			*		10
Maryland			*	*		26
Massachusetts			*	*		112
Michigan			*	*		1600
Minnesota	*			*		31
Mississippi	*			*		16
Missouri			*	*		30
Montana		*			Dept. of Administration	9
Nebraska	*			*		9
Nevada			*	*		10
New Hampshire	*			*		22
New Jersey			*	*		10 (Treas. & immed. staff)
New Mexico			*	*		20
New York		*			Dept. of Tax. & Finance	57
North Carolina			*	*		N/R
North Dakota	N/R					
Ohio			*	*		146
Oklahoma	N/R					
Oregon	*			*		41
Pennsylvania	*			*		375
Rhode Island	*			*		100
South Carolina	*			*		N/R
South Dakota	*			*		7
Tennessee	*			*		157
Texas	*			*		108
Utah	*			*		12
Vermont	*			*		21
Virginia		*		*		51
Washington			*	*		65
West Virginia	*			*		66
Wisconsin			*	*		13
Wyoming			*	*		9
Puerto Rico	*			*		5,000

Key: N/R-No Response

Table 4
SOURCES OF FUNDING FOR TREASURER'S OFFICE
(FISCAL YEAR ENDING IN 1982)
(In thousands of dollars)
(Questions B4, 5)

State	Total Budget	State Appropriations: General Fund	State Appropriations: Revolving or Dedicated Funds	Administrative Fees	Other
Alabama	$1,144	$1,144			
Alaska	N/R	N/R	N/R	N/R	N/R
Arizona	N/R	N/R	N/R	N/R	N/R
Arkansas	1,004	240		764	
California	4,286	2,397		1,889	
Colorado	1,100	1,100			
Connecticut	4,101	1,131	2,887		82—Bond Fund
Delaware	1,268	583			685
Florida	1,191	1,191			
Georgia	429	429			
Hawaii	500	500			
Idaho	375	375			
Illinois	311,400	3,400			308,000—Debt Sinking Funds
Indiana	449	349			100—Trust Fund
Iowa	512	446			66—Refunds & reimbursements for services (unclaimed property, pension fund)
Kansas	1,173	1,173			20—Unclaimed Property, Expense Recovery
Kentucky	1,117	998	119		
Louisiana	2,166	1,430		6	730—Interagency Transfers
Maine	300	300			
Maryland	1,900	1,900			
Massachusetts	4,000	4,000			
Michigan	122,000 (a)	112,000 (b)		1,000	9,000—State appropriation of Restricted Revenue and Trust Funds
Minnesota	1,100	1,100			
Mississippi	450	450			
Missouri	808	611		50	147
Montana	285	285			
Nebraska	82,895	227			68—Unclaimed Property Cash Fund
Nevada	200	200			82,600—State Aid payments
New Hampshire	476	476			
New Jersey	327	327			
New Mexico	842	842			
New York	891	891			
North Carolina	6,988	1,597	966	4,425	
North Dakota	N/R	N/R	N/R	N/R	N/R
Ohio	3,240	3,155		50	
Oklahoma	N/R	N/R	N/R	N/R	N/R
Oregon	1,800	100		1,700	
Pennsylvania	12,056	10,852		143	1,061(c)
Rhode Island	1,915	1,915			
South Carolina	N/R	N/R	N/R	N/R	N/R
South Dakota	220	220			
Tennessee	4,616	2,933		1,683	
Texas	2,926	2,117	29	17	763—Unclaimed Funds
Utah	445	303			142—Unclaimed Property Trust Funds
Vermont	624	624			
Virginia	3,166	2,611			555—Unclaimed Property and Escheats
Washington	2,779	2	2,759		18—Motor Vehicle Fund
West Virginia	2,061	980	992		89
Wisconsin	454	367	84	3	
Wyoming	404	394			10—Programs funded by Legislature
Puerto Rico	69,000	69,000			

Key: N/R-No Response
(a) $52.5 million for operating budget; $68.8 million for debt service and grants.
(b) $43.2 million for operations; $68.8 million for debt service and grants.
(c) Augmentation for check signing and reconcilement unemployment check distribution.

2. State Treasury Functions

Responsibility for the collection of revenues, disbursement activities, investments and debt programs varies in the states. Tables 5 through 8 indicate who is responsible for these functions in each state.

Collection of Revenue

As shown in Table 5, generally, the responsibility for collecting state revenues is in the Department of Revenue or the Tax Department. The initial collection of some of the major taxes is the responsibility of only a few Treasurers, including: Michigan, Nevada, New Jersey, Ohio and Puerto Rico.

Disbursement Activities

Table 6 contains information on the responsibility for state disbursement activities. The responsibilities vary for pre-audit, preparing disbursement documents, endorsing disbursements, distributing disbursements to the payee and final presentation for payment of claims. The redemption of state payments is the responsibility of the State Treasurer in 37 states.

Other Functions

Other functions and duties of the State Treasurer are listed in Tables 7 and 8. Forty-one State Treasurers are responsible for the investment of excess state funds. Twenty-four Treasurers are also responsible for the investment of retirement funds or other trust funds. Thirty-four Treasurers are responsible for administering all or part of the state debt program, with 25 being the issuer of debt and 33 servicing debt. Unclaimed property duties are performed by 29 Treasurers.

Table 5
RESPONSIBILITY FOR INITIAL COLLECTION OF REVENUES
(Question C1)

State	Personal Income Tax	Corporate Income Tax	Inheritance Tax	Excise Tax	Sales Tax	License Fees	Penalties	State Agency or Dept. Fees	Federal Sources	Other Intergov. Sources	Other
Alabama	Revenue Dept.	Revenue Dept.	Revenue Dept.	Revenue Dept.	Revenue Dept.	Revenue Dept., County Probate Judge	Revenue Dept.	Each Agency or Dept.	Each Agency		
Alaska	N/R										
Arizona	N/R										
Arkansas	Revenue Division	Revenue Division	Revenue Division	Revenue Division	Revenue Division	Revenue Division	Revenue Division	Revenue Division & Special Agencies	Various Agencies & Treasurer		
California	Tax Board	Tax Board	State Controller	Board of Equalization	Board of Equalization	Various Agencies	Various Agencies	Various Agencies	Treasurer		Investment Interest-Treasurer
Colorado	Revenue Dept.	Revenue Dept.	Revenue Dept.	Revenue Dept.	Revenue Dept.	Revenue Dept.	Revenue Dept.	Revenue Dept.	All		
Connecticut	None	Revenue Dept.	Revenue Dept.	Revenue Dept.	Revenue Dept.	Various Agencies	Various Agencies	Various Agencies	Various Agencies		
Delaware	Finance	Finance	Finance	Public Safety		Natural Resources, Finance & Public Safety	Natural Resources, Finance & Public Safety		Development Office		Development Office-Motor Fuel Tax-Public Safety, Ins. Tax, Lottery, Corporate Fees, Franchise Tax
Florida		Revenue Dept.	Revenue Dept.		Revenue Dept.	Insurance, Business Reg.			Treasurer	Revenue Dept.	
Georgia	Revenue Dept.	Revenue Dept.	Revenue Dept.	Revenue Dept.	Revenue Dept.	Various Depts.	Various Depts.	Various Depts.	Various Depts.	Various Depts.	
Hawaii	Director of Taxation	Director of Taxation	Director of Taxation	Director of Taxation	Director of Taxation	Various Depts.	Various Depts.	Various Depts.	Various Depts.		
Idaho	Dept. of Revenue & Tax.	Dept. of Revenue & Tax.	Dept. of Revenue & Tax.	Dept. of Revenue & Tax.	Dept. of Revenue & Tax.	Various Depts.	Various Depts.	Various Depts.	Treasurer & Others	Various Depts.	
Illinois	Revenue Dept.	Revenue Dept.	Treasurer	Revenue Dept.	Revenue Dept.	Secretary of State Motor Vehicle	Treasurer Automobile Fines	Various Depts.	Various Depts.	Various Depts.	Various Depts.
Indiana	Revenue Dept.	Revenue Dept.	Revenue Dept.	Revenue Dept.	Revenue Dept.	Agency Involved	Agency Involved	Agency Involved	Agency Involved	Agency Involved	Treasurer-Public Deposit Ins. Fund
Iowa	Revenue Dept.	Revenue Dept.	Revenue Dept.	Revenue Dept.	Revenue Dept.	Depts. or Counties	Depts. or Counties	Dept.	Agency	Comptroller or Treas.	
Kansas	Revenue Dept.	Revenue Dept.	Revenue Dept.	Revenue Dept.	Revenue Dept.	Revenue Dept.	Treasurer	Agency Depts.	Governor & Treasurer		
Kentucky	Revenue Dept.	Revenue Dept.	Revenue Dept.	Revenue Dept.	Revenue Dept.	Various Depts.	Finance Dept.	Each Agency	Each Agency	Each Agency	
Louisiana	Revenue Dept.	Revenue Dept.	Revenue Dept.	Dept. of Insurance	Revenue Dept., Office of Motor Vehicles	Office of Motor Vehicles	Various Agenices	Various Agencies	Various Agencies		
Maine	State Assessor of Taxation	State Assessor of Taxation	State Assessor of Taxation	State Assessor of Taxation	State Assessor of Taxation	Departmental System	Court System	Depart-mental	Accounts-Control	Accounts-Control	
Maryland	Comptroller	Comptroller	Comptroller	Comptroller	Comptroller	Comptroller, Division of License	Agency Involved	Agency Involved	Agency Involved		
Massachusetts	Revenue Dept.	Revenue Dept.	Revenue Dept.	Revenue Dept.	Revenue Dept.	Revenue Dept.	Revenue Dept.	Treasurer	Revenue Dept.	Treas.	
Michigan	Treasury Dept.	Treasury Dept.	Treasury Dept.	Commerce	Treasury Dept.	Treasury Dept.					
Minnesota	Revenue Dept.	Revenue Dept.	Revenue Dept.	Revenue Dept.	Revenue Dept.	Public Safety	Public Safety	Responsible Dept.	Various Agencies		
Mississippi	Tax Commis.	Tax Commis.	Tax Commis.	Tax Commis.	Tax Commis.	Tax Commis.	Tax Commis.	Various Agencies	Various Agencies	Various Agencies	
Missouri	Revenue Dept.	Revenue Dept.	Revenue Dept.	Revenue Dept.	Revenue Dept.	Revenue Dept.	Revenue Dept.	Revenue Dept.	Revenue Dept.	Revenue Dept.	
Montana	Revenue Dept.	Revenue Dept.	Revenue Dept.	Revenue Dept.	N/A	Revenue Dept.	Revenue Dept.	Providing Agencies	Grantee Agencies	Providing Agencies	
Nebraska	Revenue Dept.	Revenue Dept.	Revenue Dept.	Revenue Dept.	Revenue Dept.	Various Agencies	Various Agencies	Various Agencies	Various Agencies	Various Agencies	Various Agencies
Nevada	N/R	N/R	N/R	N/R	Treasurer	Treasurer	Treasurer	Treasurer	N/R	N/R	
New Hampshire	N/A	N/A	Revenue Admin.	N/A	N/A	Agencies	Agencies	Agencies	Agencies	Agencies	

Table 5
RESPONSIBILITY FOR INITIAL COLLECTION OF REVENUES
(Question C1)

State	Personal Income Tax	Corporate Income Tax	Inheritance Tax	Excise Tax	Sales Tax	License Fees	Penalties	State Agency or Dept. Fees	Federal Sources	Other Intergov. Sources	Other
New Jersey	Treasury Dept.	Treasury Dept.	Treasury Dept.	Treasury Dept.	Treasury Dept.	Law and Public Safety	Treasury Dept.	Various Depts.	Each Dept.	Each Dept.	
New Mexico	Taxation & Rev.	Taxation & Rev.	Taxation & Rev.	Taxation & Rev.	Taxation & Rev.	Various Agencies	Various Agencies		Finance and Admin.	Finance and Admin.	Interest on Investments-Treasurer
New York	Commis. Tax. and Finance	Commis. Tax. and Finance	Commis. Tax. and Finance	Commis. Tax. and Finance	Commis. Tax. and Finance	Various	Various	Various	Various	Various	Various
North Carolina	Revenue Dept.	Revenue Dept.	Revenue Dept.	Revenue Dept.	Revenue Dept.	Revenue Dept.	Revenue Dept.	Responsible Agency	Responsible Agency	Respon. Agency	Treasurer-Escheats
North Dakota	N/R										
Ohio	Taxation Dept.	Treas.	Treasurer	Treasurer	Treasurer	Treasurer	Treasurer	Agencies	Agencies	Agencies	
Oklahoma	N/R										
Oregon	Revenue Dept.	Revenue Dept.	Revenue Dept.	Revenue Dept.	N/A	Various	Various	Various	Various	Various	Various. (All revenues are deposited by Agencies to Treasurer's bank accts.)
Pennsylvania	Revenue Dept.	Revenue Dept.	Revenue Dept.	Revenue Dept.	Revenue Dept.	Revenue Dept.	Various	Various	Various	Various	
Rhode Island	Tax Admin.	Tax Admin.	Tax Admin.	Tax Admin.	Tax Admin.	Treasurer	Treasurer	Treasurer	Treasurer	Treas.	
South Carolina	N/R										
South Dakota	N/A		Treasurer	Revenue Dept.	Revenue Dept.	Agency	Agency				
Tennessee	Revenue Dept.	Revenue Dept.	Revenue Dept.	Revenue Dept.	Revenue Dept.	Revenue Dept.	Revenue Dept.	Individual Agency	Individual Agency	Indiv. Agency	
Texas	N/A	N/A	Comptroller	Comptroller	Comptroller	Various	Various		Treasurer		
Utah	Tax Commis.	Tax Commis.	Tax Commis.	Tax Commis.	Tax Commis.	Business Reg. Public Safety	Various	Various	Dept. of Treasury Social Ser.	Various	
Vermont	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)	
Virginia	Tax Commis.	Tax Commis.	Tax Commis.	Tax Commis.	Tax Commis.	Division of Motor Vehicles	Courts	Individual Agency	Benefitted Agency		
Washington			Revenue Dept.	Revenue Dept.	Revenue Dept.	Various	Revenue Dept.	Agency	Agency		
West Virginia	Tax Dept.	Tax Dept.	Tax Dept.	Tax Dept.	Tax Dept.	Agency	Agency	Agency	Agency	Agency	
Wisconsin	Revenue Dept.	Revenue Dept.	Revenue Dept.	Revenue Dept.	Revenue Dept.	Various	Various	Each Dept.	Each Dept.	Various	Treasurer-Suit Taxes & other payments from municipalities.
Wyoming	N/R	N/R	Revenue Dept.	Revenue Dept.	Revenue Dept.	Individual Agencies	Individual Agencies	Individual Agencies & Treasurer			
Puerto Rico	Treas.	Treas.	Treasurer	Treasurer	Treasurer	Treasurer	Treasurer	Treasurer	Treasurer	Treas.	Treasurer-Regulating banks and other financial institutions.

Key: N/A—Not Applicable
N/R—No Response

(a) None for State Treasurer

Table 6
RESPONSIBILITY FOR DISBURSEMENT ACTIVITIES
(Question C2)

State	Pre-Audit	Prepare Disbursement Documents	Endorsement of Disbursement	Distribute to Payee	Present for Payment of Claims	Redemption Through Bank Depositories
Alabama...(a)....	Comptroller	Each Dept.	Comptroller	Each Dept.	Each Dept.	Treasurer
Alaska.....	N/R					
Arizona.....	N/R					
Arkansas.....	Dept. of Finance and Administration	Various Agencies	Various Agencies Disbursing Officer	Various Agencies	State Auditor or State Claims Commission	Treasurer
California.....	Controller	Controller	None	Controller	Each Agency	Treasurer
Colorado.....	Administration	All		Administration		Treasurer
Connecticut.....	Comptroller	Comptroller	Comptroller	Comptroller or Agency	Comptroller	Treasurer
Delaware.....	Finance	Individual Agencies	Treasurer	Individual Agencies	Individual Agencies	N/A
Florida.....	Comptroller	Comptroller	Governor	Comptroller	Comptroller	Treasurer
Georgia.....	Individual Agency	Individual Agency	Individual Agency	Individual Agency	Individual Agency	Individual Agency
Hawaii.....	Comptroller	Comptroller	Comptroller	Comptroller	Director of Finance	Director of Finance
Idaho.....	State Auditor	Department	State Auditor	State Auditor	Payee or Banks	Treasurer
Illinois.....	Comptroller	Agency/ Comptroller	Comptroller/ Treasurer	Comptroller	Treasurer	Treasurer
Indiana.....	State Auditor	Individual Agencies	State Auditor	State Auditor	Claim vouchers State Agency; Invoice vouchers vendors	Treasurer
Iowa.....	Comptroller	Individual Agency	Comptroller	Individual Agency	Treasurer	Treasurer
Kansas.....	Director of Accounts and Reports	Director of Accounts and Reports	Director of Accounts and Reports/Treasurer	Director of Accounts and Reports	Bank	Treasurer
Kentucky.....	Finance Dept.	Treasurer	N/A	Each Agency		
Louisiana.....	State Appropriation Control/ Treasurer	Individual Agencies	State Appropriation Control/ Treasurer	Individual Agencies		
Maine.....	Comptroller	Comptroller	Comptroller	Comptroller	Comptroller	Treasurer
Maryland.....	Comptroller	Treasurer	Comptroller	Comptroller		Treasurer
Massachusetts....	Comptroller	Agency	Agency	Treasurer	Treasurer	Treasurer
Michigan.....	Individual Agency and Dept. of Management and Budget	Treasurer	Treasurer	Treasurer	Treasurer	Treasurer
Minnesota.....	Each Dept.	Each Dept.	Dept. of Finance	Dept. of Finance	Dept. of Finance	Treasurer
Mississippi.....	State Auditor	State Auditor	State Auditor	State Auditor	State Auditor	Treasurer
Missouri.....	Agencies and Division of Accounting	Agencies and Division of Accounting	Treasurer and Division of Accounting	Treasurer and Division of Accounting	Agencies and Division of Accounting	Treasurer
Montana.....	Paying Agencies	Paying Agencies	Paying Agencies	State Auditor	State Auditor	Treasurer
Nebraska.....	Administrative Services	Agencies	Agencies	Agencies	Agencies	Treasurer
Nevada.....	Treasurer	N/R	N/R	N/R	N/R	N/R
New Hampshire	Comptroller	Treasurer	Treasurer	Treasurer	Treasurer	Treasurer
New Jersey.....	Division of Budget and Accounting	Each Dept.	Division of Budget and Accounting	Division of Budget and Accounting	Division of Budget and Accounting	
New Mexico.....	Department of Finance and Administration	Agencies	Department of Finance and Administration	Agencies	Treasurer	Treasurer
New York.....	Comptroller	Comptroller	Comptroller/ Treasurer	Treasurer	Individual Agencies	Treasurer
North Carolina..	Agency and State Disbursement Officer	Agency	Agency	Agency	Treasurer	Treasurer
North Dakota....	N/R					
Ohio.....	State Auditor	Agencies	Agencies	Agencies	Attorney General and State Auditor	Treasurer
Oklahoma.....	N/R					
Oregon.....	(a)	(a)	(a)	(a)	(a)	(a)
Pennsylvania.....	Joint	Joint	Treasurer	Agencies	Attorney General	Treasurer
Rhode Island.....	Budget and Controllers	Controllers	Treasurer	Treasurer	Treasurer	Treasurer
South Carolina..	N/R					
South Dakota....	Auditor	Agency	Agency	Agency		

Table 6
RESPONSIBILITY FOR DISBURSEMENT ACTIVITIES
(Question C2)

State	Pre-Audit	Prepare Disbursement Document	Endorsement of Disbursement	Distribute to Payee	Present for Payment of Claims	Redemption Through Bank Depositories
Tennessee	Dept. of Finance & Administration	Dept. of Finance & Administration	Dept. of Finance & Administration	Individual Agencies	Individual Agencies	Treasurer
Texas	Comptroller	Comptroller	Comptroller	Comptroller	Payee	Treasurer
Utah	Division of Finance	Various Departments	Division of Finance	Division of Finance		Treasurer
Vermont	Finance Dept.	Finance Dept.	Finance Dept.	Treasurer	Treasurer	Treasurer
Virginia	Department of Accounts	Department of Accounts	Treasurer	Department of Accounts/ Treasurer	Department of Accounts/ Treasurer	Treasurer
Washington	Agency	Agency	Treasurer	Agency		Treasurer
West Virginia	State Auditor	Agency	Agency	Agency	State Auditor	Treasurer
Wisconsin	Department of Administration	Voucher-Each Agency Check—Dept. of Administration	Department of Administration and Treasurer	Requesting Department		Treasurer
Wyoming	State Auditor	Agency	Agency	Agency	Agency	Treasurer
Puerto Rico	Treasurer	Treasurer	Treasurer	Treasurer	Treasurer	Treasurer

Key: N/A—Not Applicable
Key: N/R—No Response
(a) Each agency handles disbursement, warrants drawn by State Treas[illegible] warrants cleared by Treasurer's Office, returned to agency.

Table 7
OTHER TREASURY FUNCTIONS
(Questions C3, 5)

State	Invest Excess Funds	Invest Retirement and/or Trust Funds	State Debt Program: Issuer of Debt	State Debt Program: Servicing of Debt	Unclaimed Property	Archives for Documenting Disbursement Transactions
Alabama	★			★		★(a)
Alaska	N/R					
Arizona	N/R					
Arkansas	★				★(b)	
California	★		★	★		
Colorado	★	★(c)				
Connecticut	★	★	★	★	★	
Delaware	★		★(b)	★		
Florida	★					
Georgia	★(d)	★(e)		★	★	
Hawaii	★		★	★	★	
Idaho	★		★	★		
Illinois	★	★(e)		★		★
Indiana	★	★(f)			★(b)	★(a)
Iowa	★	★(g)			★	★
Kansas				★(b)	★	★
Kentucky	★	★				★
Louisiana	★		★	★		
Maine	★	★(b)	★	★	★	
Maryland	★		★	★		
Massachusetts	★	★	★		★	
Michigan	★	★	★	★	★	★
Minnesota				★	★	
Mississippi	★			★	★	★(a)
Missouri	★				★	★
Montana				★		
Nebraska					★	
Nevada	★		★	★	★	★
New Hampshire	★	★(e)	★	★	★	
New Jersey	★	★	★	★	★	★
New Mexico	★			★		
New York						★
North Carolina	★	★	★	★	★	
North Dakota	N/R					
Ohio	★		★	★		★(h)
Oklahoma	N/R					
Oregon	★	★	★	★		
Pennsylvania	★		★(i)	★		
Rhode Island	★	★	★	★	★	
South Carolina	★	★	★	★		★
South Dakota					★	★
Tennessee	★	★			★	
Texas	★				★	★(a)
Utah	★	★(j)	★	★	★	
Vermont	★	★	★	★	★	★
Virginia	★	★	★	★	★	
Washington	★	★(e)	★	★(k)		★
West Virginia	★	★	★	★	★	
Wisconsin	★(l)			★	★	★
Wyoming	★	★(e)			★	
Puerto Rico	★	★	★	★	★	★

Key: N/R — No Response
(a) Paid warrants only
(b) Partial
(c) Non-state retirement association
(d) Under the direction of State Depository Board
(e) Trust funds
(f) Trust funds and State Police Pension Fund
(g) Not for Iowa Public Employee Retirement System
(h) Until the audit
(i) Joint with Governor and Auditor
(j) As member of Retirement Board
(k) Through fiscal agency
(l) Authorize amount to invest or liquidate

Table 8
ADDITIONAL TREASURY DUTIES
(Question C4)

State	*Other Functions and Activities*
Alabama	Primarily serves as the bank for all state agencies; manages and invests funds while within the Treasury.
Alaska	N/R
Arizona	N/R
Arkansas	Custodian of the State Retirement System Pension Funds; adminstrator for state turnback to local governments; oversees revenue distribution.
California	Manages the State's bank accounts; operates the vault; redeems all warrants; approves the issuance of certain types of local debt.
Colorado	None listed.
Connecticut	Workers Second Injury (supplements Workmen's Compensation); Unemployment Compensation; Soldiers, Sailors and Marines Fund; various dedicated funds.
Delaware	Overlooks Pensions, Social Security Requirements, and Short-Term Investments; administers group employee programs; custodian of state funds.
Florida	Insurance Commissioner and Fire Marshall.
Georgia	Administers Superior Court Judges and District Attorneys' Retirement Funds; administers State Self-Insurance Program; responsible for maintenance of state's computerized payroll system and financial and budgetary control system.
Hawaii	Oversees the repayment of Veterans' Mortgage Loans and monitors student loans guaranteed by the state (no new loans are being made or guaranteed).
Idaho	Administrator for local government investment pool under Idaho's Joint Exercise of Powers Act; custodian of Public School Endowment Fund; custodian of Workers Compensation Security Deposits of insurance companies.
Illinois	Invests agency funds as ex-officio custodian.
Indiana	Oversees State Police Pension Fund.
Iowa	Custodian and trustee for Iowa Public Employees Retirement System and Peace Officers Retirement System; short-term investment; U.S. Savings Bond chairman for state government employees; safekeeping securities and bonds for other agencies on request; receives remittances of state portion of fines from county clerks of court; operates securities lending program.
Kansas	Registers all municipal general obligation and revenue bonds; chief paying agent; custodian of collateral; co-custodian of insurance securities; processes and redeems warrants.
Kentucky	None listed.
Louisiana	Oversees all State Pension Funds, Social Security, for state and all subdivisions; State Bond Commission; serves on Interim Emergency Board.
Maine	Trust Administrator; all bank reconciliations; processing of all revenues.
Maryland	All state insurance coverage; member of Control Board; adequate collateral for bank deposits; custodian of collateral for foreign S&L; insurance companies; bonds for sales tax.
Massachusetts	Administers State Retirement System, Abandoned Property, Redemption of Debt Service.
Michigan	Custodian of state funds; performs trust and fiscal agent functions for various state authorities; auditing of counties; equalizes property tax assessments.
Minnesota	Maintenance of all state bank accounts; custodian of all investments for all funds; unclaimed property; member State Executive Council; verification of all state receipts and expenditures.
Mississippi	Ex-Officio Treasurer—Mississippi Employment Security Commission (Unemployment Compensation Funds).
Missouri	None listed.
Montana	Managing Employees Health Insurance Account; record keeping function for Board of Investments; safekeeping and collateral services.
Nebraska	Bingo licensing.
Nevada	None listed.
New Hampshire	Custodian of state deeds; custodian of securities of other state agencies.

Table 8
ADDITIONAL TREASURY DUTIES
(Question C4)

State	*Other Functions and Activities*
New Jersey	Custodian of state retirement systems; administers divisions of Budget and Accounting, Building and Construction, Data Processing and Telecommunications, Investment, Pensions, Purchase and Property, State Lottery, Taxation.
New Mexico	Small Trust Fund management; custodian of state owned securities; transacter of all investments by any state agency.
New York	Joint custodian with Comptroller of state funds; sole custodian—State Teachers' Retirement System; trustee, fiscal agent and/or custodian of various insurance funds, public authorities/agencies and investor for these funds.
North Carolina	State Retirement Systems, Local Government Commission, Escheat Office.
North Dakota	N/R
Ohio	Agents in the purchase and sale of securities for the retirement systems; safekeeping securities pledged to state agencies for statutory process; collection of major taxes.
Oklahoma	N/R
Oregon	Operates local government investment pool; provides information and assistance to local governments in issuing bonds.
Pennsylvania	None listed.
Rhode Island	Administrator, Escheat Funds (unclaimed property); administration and enforcement of precious metals; administration and collection of FICA taxes of all city and town governments.
South Carolina	None listed.
South Dakota	None listed.
Tennessee	Administers Deferred Compensation Program, Tennesee Consolidated Retirement System, Social Security Program for State and Local Government, State Board of Claims, State Escheat Law.
Texas	Receive deposits from all state agencies and federal government; distribute lateral road funds; distribute U.S. forest funds; act as custodian for investments made by teachers and state employee retirement funds; maintain records or collateral placed on state funds kept in depository banks.
Utah	Review of cash management practices in all departments; investment of State Land Bond Funds; investment of State Insurance Fund monies; investment of funds in Public Treasurers Investment Fund (voluntary pool).
Vermont	Social Security.
Virginia	Administers escheats program.
Washington	Manages, monitors, and disburses funds and accounts of State Treasury; responsible for physical safekeeping and interest on state investments; makes payments of interest and principal on state bonded indebtedness; administers state and federal revenues to be distributed to localities; monitors cash requirements and position of Treasury funds; services accounting, cash flow, and investment requirements of trust funds in custody of State Treasurer; recommends use of new cash management techniques to state agencies; maintains statewide revenue collection system; prepares monthly and annual financial reports; administers Public Deposit Protection Commission.
West Virginia	Has total responsibility for control of all state funds.
Wisconsin	Custodian of state-owned securities; safekeeping; administrator of Municipal Pool.
Wyoming	Oversees Workers Compensation and Gasoline Tax Refund to farmers and ranchers; deferred compensation.
Puerto Rico	Contracting of insurance policies for government agencies; establishing accounting procedures for agencies; processing of funds for municipalities.

3. State Investment Policy—
Administrative and Constitutional Guidelines

Administrative and constitutional guidelines have an impact on the investment policies of the states in addition to management philosophies and investment objectives. There are four principal types of guidelines affecting cash managment policy: procedural guidelines, which affect the use of banks as holding institutions for treasury balances when the money is not invested; portfolio composition guidelines which limit the number and type of instruments; quantity guidelines which specify the amount of treasury balances which may be invested; and time period guidelines which specify the length of time of treasury balance investment.

This section includes information on the basis for the investment policies and the guidelines affecting the investment policies of the states in Tables 9 through 18.

Investment Policy

Most states (38) have statutory investment limitations, while eight have constitutional restrictions, as shown in Table 9. Only one state, Minnesota, reports that the total policy is established administratively without any statutory parameters. Of the 47 participating states, 24 State Treasurers, or their counterparts, play an independent role in determining investment policy as opposed to the determination being made in 21 other states by boards or committees. The composition of the investment boards' membership is shown in Table 10.

Investment Management and Counseling

Table 11 indicates that the use of in-house investment management by the states is almost unanimous, with only the State of Delaware using outside services exclusively. Supplemental outside counseling support services are used by ten states, five of which have statutes requiring their use.

The annual salaries of in-house investment officers covered a wide spectrum. A summary of those reported follows:

Under $30,000	6
$30,000 - $35,000	5
$36,000 - $45,000	14
Over $45,000	6

A tabulation of funds whose investment management is under the jurisdiction of State Treasurers is shown in Table 12. Outside of the General Fund, which appears to be common to all states, the types of funds under the Treasurers are varied. Fifteen State Treasurers reported that management of 100 percent of the state funds is under their judisdiction.

Sixteen states have a securities lending program, as shown in Table 13. Twenty states hold securities in their treasury vault and custodian bank, a custodian bank holds securities for 22 states, and three states hold securities in their treasury vault. Table 13 also indicates whether the custodian banks are in-state, New York or another location.

Guidelines for Portfolio Composition

Significant variance among the portfolio composition guidelines followed by the various states may result from statutory or administrative stipulations. Certain instruments, such as equity in corporations, are often prohibited or the amount restricted; however, in some states a percentage of funds is required to be invested in specific assets. For several states, security, liquidity and yield are the prime motivational factors for determining portfolio composition. The placement of funds in banks is generally in in-state banks, usually with deposit limitations tied to the banks' capital structure. Discretion ranges from the rigid requirement of the State of Texas that all funds must be placed in banks, all the way to the more liberal guidelines of those states allowing commercial paper, bankers' acceptances, and negotiable CDs. In Table 14, a summary of the states' investment guidelines is presented and the type of stipulation whether administrative, statutory, or constitutional. Investment policy-makers must exercise their investment discretion within this set of composition guidelines.

Guidelines Determining Amount, Term, and Instruments

In determining the amount of treasury surplus to be invested, the predominant response is best exemplified by the State of Connecticut: "Everything we can get our hands on." Generally, the guidelines for determining the amount to be invested are discretionary, as shown in Table 15.

Although some states place statutory limits on the maximum term of investments, ranging from one year to five years, wide discretionary authority is the general rule. Discretionary guidelines allow the flexibility to tailor maturity dates to projected needs. Guidelines for determining time periods of investments, arranged by category (discretionary, moderate, and procedural), are shown in Table 16.

Many states have statutory or administrative guidelines requiring that a portion of the investable treasury funds be placed in certificates of deposit or time deposits in in-state banks. This, of course, is in response to the theory

that the deposits enhance the state's economic growth. Various guidelines are utilized to determine the share of the states' portfolios to be held in TDs/CDs, as shown in Table 17. Sixteen states have discretionary guidelines ranging from no guidelines, as in Connecticut, Montana and Puerto Rico, to the determination of TD/CD holdings residing in the Treasurer's Office in Louisiana, Missouri, Ohio, Pennsylvania, Rhode Island, Washington, and Wyoming. Table 17 also indicates the criteria used for selection of banks as depositors for treasury balances. Considerable variance exists among the procedures used to allocate funds. Connecticut places funds in the 20 largest banks in the country and all state and national banks in the state. Other states use a bid method, and Florida evaluates the size of the county and the amount of sales tax collected along with the size of the bank or S&L.

Table 18 reflects investment policies for the special state funds. Twenty states manage the special funds under special guidelines or are given special consideration with respect to investment policy.

Table 9
INVESTMENT POLICY
(Survey Page 15, Questions 1, 2, 3)

State	Investment Policy Governed By	Determines Investment Policy	Responsible for Investing Funds
Alabama	S	Treasurer—E	Treasurer
Alaska	N/R	N/R	N/R
Arizona	N/R	N/R	N/R
Arkansas	S	State Board of Finance—E,G	Treasurer
California	S	Pooled Money Investment Board—E,G	Chief of Investments—Treasurer's Office
Colorado	S	Treasurer—E	Chief Investment Officer—Treasury Department
Connecticut	S,A	Treasurer—E	Deputy Treasurer
Delaware	S	Cash Management Policy Board—G	Treasurer
Florida	S	S	Treasurer
Georgia	S	State Depository Board—E,G	Director, Fiscal Division, Department of Administrative Services
Hawaii	S,A	Director of Finance—G(a)	Chief, Finance Division, Department of Budget and Finance
Idaho	S,A	Treasurer—E	Treasurer and Senior Deputy Treasurer, Deputy Treasurer—Investments
Illinois	C,S,A	Treasurer—E	Chief Fiscal Officer, Treasurer's Office
Indiana	S	Treasurer—E	Treasurer and Investment Manager, Treasurer's Office
Iowa	S	Treasurer—E(b)	Treasurer, Department of Investment
Kansas	S(c)	Money Investment Board—E,G	Money Investment Board
Kentucky	S	State Investment Commission—E,G	Treasurer
Louisiana	S	Treasurer—E	Assistant State Treasurer and Office of Depository and Investment, Department of the Treasurer
Maine	S	Deputy Treasurer—CS	Treasurer
Maryland	S	Treasurer—L	Treasurer(b)
Massachusetts	S	Treasurer—E	Treasurer
Michigan	S,A	Treasurer—G	Treasurer/Director of Investments
Minnesota	A	State Board of Investment—E	State Board of Investment
Mississippi	S,A	State Depository Commission and Treasurer—E	State Depository Commission and Treasurer
Missouri	C,S,A	Treasurer—E	Treasurer
Montana	S	Board of Investments	Board of Investments, Department of Administration
Nebraska	S	Investment Council—G	Director, Investment Council
Nevada	C,S,A	Treasurer—E	Treasurer and staff
New Hampshire	S	Treasurer—E	Treasurer
New Jersey	S,A	Investment Council	Division of Investment
New Mexico	C,S,A	Legislature—E	Treasurer
New York	S	Comptroller—E	Director, Office of State Comptroller, Investment and Cash Management Division
North Carolina	S	Treasurer—E	Treasurer, Investment and Banking Division
North Dakota	N/R	N/R	N/R
Ohio	S	State Board of Deposit—E	Director of Investment, Treasurer's Office
Oklahoma	N/R	N/R	N/R
Oregon	S	Investment Council—E,G	Treasury Department—Investment Division

Table 9
INVESTMENT POLICY
(Survey Page 15, Questions 1, 2, 3)

State	*Investment Policy Governed By*	*Determines Investment Policy*	*Responsible for Investing Funds*
Pennsylvania.....	S	Treasurer—E	Director, Treasury Department, Bureau of Cash Management and Investment
Rhode Island.....	S,A	Investment Commission—E,G,L,CS	General Treasurer/Deputy General Treasurer, Treasury Department
South Carolina..	S	Treasurer—E	Treasurer
South Dakota....	S	Investment Office—L	Investment Office, Treasury Department, Investment Division
Tennessee.....	C,S,A	State Funding Board	Treasurer
Texas.....	S,C	*Depository* Board	Treasurer
Utah.....	S	Treasurer—E (within statutory parameters)	State Investment Officer, Treasurer's Office
Vermont.....	S	Treasurer—E	Treasurer
Virginia.....	S	Treasury Board—S,G	Investment Officer, Department of Treasury
Washington.....	C,S	Treasurer—E	Investment Officer, Treasurer's Office
West Virginia....	C,S,A	State Board of Investment—E	Director of Investment, Treasurer's Office
Wisconsin.....	S	Investment Board—G	State Investment Board staff
Wyoming.....	S,A	Treasurer—E	Deputy Treasurer, Treasurer's Office
Puerto Rico.....	S,A	Treasurer	Treasurer

Key:N/R—No Response
S—Statute
C—Constitution
A—Administrative Practice
E—Elected
G—Appointed by Governor
L—Appointed by Legislature
CS—Civil Service
(a) Director of Finance is responsible for all Treasury functions (i.e. takes the place of "State Treasurer").
(b) Treasurer of State for all but retirement funds
(c) Statute, State Investment Board

Table 10
COMPOSITION OF STATE INVESTMENT BOARD
(Question D1)

State	*Investment Board*
Alaska	No Response
Arizona	No Response
Arkansas	Governor, Director of Finance and Administration, State Treasurer, State Auditor, Director of State Banking Department
California	State Treasurer as Chairman, State Controller, and Director of Finance
Delaware	Cash Management Policy Board—elected and appointed officials
Florida	Governor, Comptroller, Treasurer
Georgia	Governor, Auditor, Comptroller General, Commissioner of Revenue, Commissioner of Banking and Finance, Director—Fiscal Division
Kansas	Treasurer, Chairman ex-officio and two members appointed by Governor
Kentucky	Governor, Treasurer, Secretary of Finance and Administration, one person appointed by President Pro Tempore of Senate, one person appointed by Speaker of House by Representatives
Massachusetts	Non-paid private sector individuals
Minnesota	State Treasurer, State Auditor, Governor, Secretary of State, Attorney General
Mississippi	Governor, Attorney General, Treasurer
Montana	Members appointed by Governor
Nebraska	Appointed members
New Jersey	Five members are representatives of boards of trustees of the five major state pension funds together with five gubernatorial appointees
New Mexico	Governor, Lieutenant Governor, Secretary of Department of Finance and Administration, three public members appointed by the Governor
North Dakota	No Response
Ohio	State Treasurer as Chairman, State Auditor, Attorney General
Oklahoma	No Response
Oregon	Treasurer, three appointees of Treasurer from finance field, three representatives of counties, cities, school districts
Rhode Island	Treasurer, three private members selected by Governor, two legislators, one director of administration, Chairman of House Finance Committee, Chairman of Senate Finance Committee
South Dakota	Appointed by legislature
Tennessee	Governor, Secretary of State, Comptroller, Treasurer, and Commissioner of Finance and Administration
Texas	Treasurer, Banking Commissioner, citizen member appointed by Governor
Utah	Determined by State Investment Office
Virginia	Treasurer, Comptroller, Tax Commissioner, Assistant Secretary for Financial Policy, outside Governor appointee
West Virginia	Governor, Auditor, Treasurer (Treasury Office is staff agency for the Board)
Wisconsin	Two members of retirement system, one Secretary of the Department of Administration, four public members appointed by the Governor

Table 11
INVESTMENT MANAGEMENT AND COUNSELING
(Questions D2, 3, 4)

	In-House Management			*Outside Services*			
State	*Investment Management by State Employee*	*Full Time/ Part Time*	*Salary*	*Counseling*	*Management*	*Provided by Statute*	*Annual Cost*
Alabama	★	Full Time	$43,000				
Alaska	N/R	N/R	N/R	N/R	N/R	N/R	N/R
Arizona	N/R	N/R	N/R	N/R	N/R	N/R	N/R
Arkansas	★	N/R	N/R				
California	★	Full Time	45,924				
Colorado	★	Full Time	41,000				
Connecticut	★	Full Time	50,000	★	★	★	N/R
Delaware					★	No	.15 % of average balance under management
Florida	★	Full Time	25,188				
Georgia	★	N/R	N/R				
Hawaii	★	Full Time	N/R				
Idaho	★	Full Time	25,056				
Illinois	★	Full Time	40,000				
Indiana	★	Full Time	36,400				
Iowa	★	Full Time	36,000				
Kansas	★	Full Time	36,000	★—Evaluation		★	$14,000
Kentucky	★	Full Time	40,956				
Louisiana	★	Part Time (50%)	27,828				
Maine	★	Full Time	29,000				
Maryland	★	Full Time	30,000				
Massachusetts	★	Part Time	30,000	★		No	N/R
Michigan	★	Full Time	45,768				
Minnesota	★	Full Time 2 Positions	40,000 each				
Mississippi	★	Full Time	13,500				
Missouri	★	Full Time	44,000				
Montana	★	Full Time	30,000	★		No	6,000
Nebraska	★	Full Time	35,000				
Nevada	★	Full Time	25,000				
New Hampshire	★	(State Treasurer Duty)					
New Jersey	★	Full Time	55,000				
New Mexico	★	N/R	N/R				
New York	★	Full Time	Varies	★	★	No	Varies
North Carolina	★	Full Time	50,568	★		★	
North Dakota	N/R	N/R	N/R	N/R	N/R	N/R	N/R
Ohio	★	Full Time	35,000				
Oklahoma	N/R	N/R	N/R	N/R	N/R	N/R	N/R
Oregon	★	Full Time	41,736				
Pennsylvania	★	N/R	N/R				
Rhode Island	★	Full Time	38,000	★		No	30,000
South Carolina	★	Part Time	N/R	★			
South Dakota	★	Full Time	N/R				
Tennessee	★	Full Time	24,000-36,400				
Texas	★	Full Time	41,300				
Utah	★	Full Time	41,000				

Table 11
INVESTMENT MANAGEMENT AND COUNSELING
(Questions D2, 3, 4)

	In-House Management			*Outside Services*			
State	*Investment Management by State Employee*	*Full Time/ Part Time*	*Salary*	*Counseling*	*Management*	*Provided by Statute*	*Annual Cost*
Vermont.....	★	By Treasurer	N/R				
Virginia.....	★	Full Time	46,354				
Washington.....	★	Full Time	35,000				
West Virginia....	★	N/R	N/R	★		★	225,000
Wisconsin.....	★	Full Time	35 staff members-885,788 budget	★		★	
Wyoming.....	★	Full Time	90,000 for staff (also performs other functions)				
Puerto Rico.....	★	N/R	N/R				

Key: N/R—No Response

Table 12
FUNDS MANAGEMENT UNDER STATE TREASURER'S JURISDICTION, BY TYPE AND PERCENTAGE OF ALL FUNDS
(Survey Page 17, Questions 1, 2)

State	*Funds Under Treasurer's Jurisdiction*	*Percentage Of All State Funds*
Alabama	General Fund; Federal Revenue Sharing	-
Alaska	N/R	N/R
Arizona	N/R	N/R
Arkansas	All state funds in custody of State Treasurer	98
California	All state funds except Employees Retirement; Teacher's Retirement; Legislative Retirement; State Compensation Insurance Fund	27
Colorado	State Working Cash; General Funds; Agency Cash Funds; Public School Funds; State Compensation Fund - All State Funds	50
Connecticut	All state funds	100
Delaware	Special Funds not part of operation, i.e., Capital Investment Fund; School Fund Investments; Trust Funds	2.4
Florida	General Revenue Funds; Trust Funds	33
Georgia	State General Funds; Trust Funds; Superior Court Retirement Systems	100
Hawaii	All funds on deposit in State Treasury, excluding Employees' Retirement System Fund	-
Idaho	Surplus and idle funds; some minor funds	100
Illinois	All funds except Retirement	30
Indiana	N/R	N/R
Iowa	All funds except Retirement	-
Kansas	All funds on deposit in Treasury	100
Kentucky	N/R	N/R
Louisiana	All funds in custody of State Treasurer	100
Maine	All funds except Retirement	-
Maryland	General, Special Funds; Construction Funds	-
Massachusetts	General fund, State and Teacher Retirement Fund	80
Michigan	Most funds, with the exception of Housing Authority	94
Minnesota	Executive State Investment Board handles Investments and Sales	92
Mississippi	Investment of General and Special Funds	-
Missouri	General Funds; Water Pollution Control Bonds; Revenue Sharing Bonds; Memorial Bonds; Revenue Bond Funds	100
Montana	N/R	N/R
Nebraska	General Funds; Gasoline Tax; Revenue Sharing	40
Nevada	Most funds except Retirement, Industry and Special Department Funds	80
New Hampshire	General Funds; part of Retirement System; all funds held by State as custodian	98
New Jersey	All funds	100
New Mexico	General Fund and Severance Tax Fund	50
New York	Numerous funds in conjunction with State Comptroller	75
North Carolina	All state funds	100
North Dakota	N/R	N/R
Ohio	All state funds and some custodial funds	95-98
Oklahoma	N/R	N/R
Oregon	All funds	100
Pennsylvania	General Operating Fund; Special and Revenue Funds; Short term portfolio of major retirement systems	25
Rhode Island	All funds	100
South Carolina	All funds	-
South Dakota	N/R	N/R
Tennessee	General Fund; Retirement Fund; School Board Authority	100
Texas	General Fund; Special and Trust Funds - No Retirement Funds	100
Utah	General Fund; Insurance Fund; Uniform School Funds; Trust and Agency Funds - No Retirement Funds	100
Vermont	General Funds; Highway Fund; Fish and Game Fund; Federal Fund; State Retirement; Teachers' Retirement; 20 Trust Funds	100
Virginia	N/R	N/R
Washington	General Fund; All Operating Funds within Treasury, except 19	8.4
West Virginia	General; all Public Employee Retirement Funds	75
Wisconsin	N/R	N/R
Wyoming	All Funds except Retirement	79
Puerto Rico	All Funds	100

Key: N/R - No Response

Table 13
SECURITIES LENDING AND CUSTODY
(Questions G1, 2)

State	Securities Lending Program	Who Operates Program	Securities Held In	
			Treasury Vault	Custodian Bank
Alabama			*	In-State
Alaska	N/R	N/R	N/R	N/R
Arizona	N/R	N/R	N/R	N/R
Arkansas			*	
California	*	Treasury Investment Officer	*	In-State, New York
Colorado			*	In-State, New York
Connecticut	*	Deputy Treasurer		In-State
Delaware				New York
Florida			*	In-State
Georgia				In-State, New York
Hawaii			*	In-State, New York, West Coast
Idaho				In-State, New York
Illinois	*			In-State
Indiana				In-State
Iowa	*	Investment Department of State Treasurer		New York
Kansas			*	In-State
Kentucky			N/R	N/R
Louisiana			*	In-State
Maine				New York
Maryland				In-State, New York
Massachusetts				In-State
Michigan			*	In-State, Depository Trust Co.-New York
Minnesota	*	Investment Board		New York
Mississippi			*	
Missouri				Various States
Montana	*	Investment Board		New York
Nebraska			N/R	N/R
Nevada			*	
New Hampshire			*	In-State
New Jersey	*	Division of Investment		In-State; Book entry at Federal Reserve for U.S. Government Securities & Agency Securities
New Mexico				In-State, New York
New York			*	In-State
North Carolina	*	Custodian Banks	*	In-State, New York
North Dakota	N/R	N/R	N/R	N/R
Ohio			*	In-State, New York
Oklahoma	N/R	N/R	N/R	N/R
Oregon	*	Treasury Investment Staff		New York
Pennsylvania			*	In-State
Rhode Island	*	Bank		New York
South Carolina				New York
South Dakota	*	Investment Office		New York
Tennessee	*	Pension Systems, Investment Staff		In-State; Repos in Federal Reserve Bank Securities Account
Texas			*	In-State
Utah	*	Treasurer's Office	*	New York
Vermont	*	Bank		Massachusetts
Virginia			*	In-State, New York
Washington			*	In-State, New York
West Virginia	*	Treasurer's Office	*	In-State, New York
Wisconsin	*	Investment Board	*	New York, Depository Trust Co.
Wyoming				New York
Puerto Rico			*	New York

Key: N/R—No Response

Table 14
GUIDELINES FOR PORTFOLIO COMPOSITION
(Page 18)

State	Guidelines	Stipulation
Alabama	(1) Statutes (2) Administrative	
Alaska	N/R	N/R
Arizona	N/R	N/R
Arkansas	(1) Treasury management law and Board of Finance directives. Short term investments are at the discretion of Investment Officer	N/R
California	(1) Safety, Liquidity Requirements	(1) Administrative
	(2) Maximum yield with Treasury Money Statute	(2) Statutes
Colorado	(1) Corporate stock prohibited	(1) Constitution
	(2) Specific categories of assets are limited	(2) Statutes
	(3) Keep statistical data available on all investments anticipated	(3) Administrative
Connecticut	(1) Not more than 50 percent equity	(1) Statutes
	(2) Prudent man's rule	(2) Administrative
Delaware	(1) Based on agreements between State Budget Commission and depositors; U.S. Government, Agency, CDs, TDs, BAs, CP, Repos, Reverse Repos	(1) Administrative
Florida	(1) Required to place surplus in CDs and Money Market Instruments	(1) Statutes
Georgia	(1) Purchase any security acceptable as collateral for CDs	(1) Statutes
	(2) Composition cannot exceed 10 percent of bank deposits; CDs over 90 days are bid; $50,000 to be maintained at every approved State Depository	(2) Administrative
Hawaii	(1) The Director may invest any monies of the State that are in excess of immediate requirements. These can include U.S. Bonds and Notes, CDs, and State Securities.	(1) Statutes
	(2) Preference goes to safety, liquidity and yield in that order	(2) Administrative
Idaho	(1) Prohibits investment in stock	(1) Constitution
	(2) Maximum amount in any bank CD is fixed according to bank's capital structure. Savings and Loan CDs are limited to an amount insured by F.S.L.I.C.	(2) Statutes
	(3) Priorities are yield, liquidity and security	(3) Administrative
Illinois	(1) Certain types of investments are restricted	(1) Statutes
	(2) All other decisions left to the discretion of Treasury Office	(2) Administrative
Indiana	(1) CDs, Repos, U.S. Treasury, U.S. Agencies	(1) Statutory
Iowa	(1) Safety (2) Liquidity (3) Yield (4) Cannot hold common stocks; otherwise prudent man's rule	N/R
Kansas	(1) CDs in Kansas bank	(1) Statutes
	(2) Security and liquidity	(2) Administrative
Kentucky	(1) Maximization of yield recognizing liquidity needs. Some investments prohibited by statute. CDs offered first to Kentucky banks.	N/R
Louisiana	(1) CDs in state banks for 30 days or longer; U.S. obligations 1 to 29 days	(1) Statutes
Maine	(1) U.S. Treasury Bills; Government Obligations; CDs; Commercial Paper; BAs	(1) Constitution
Maryland	(1) U.S. Government and Agency; CDs, Repos	(1) Statute
Massachusetts	(1) Safety of principal, liquidity, and yield	(1) Statute
Michigan	(1) Deposits limited to 50 percent of net worth of the financial institution.	(1) Constitution
	(2) May invest in U.S. Government Securities, U.S. Government Agencies and Commercial Paper	(2) Statutes
	(3) Cash flow needs and yield determine type of investment. Prime Commercial Paper must be in the top two investment grades	(3) Administrative
Minnesota	(1) Permanent school funds established.	(1) Constitution
	(2) Sets investment eligibility of assets.	(2) Constitution
	(3) Purchase and sales are handled by Investment Board	(3) Statutes
Mississippi	(1) CDs in Mississippi banks and Repo Agreement	(1) Statute
Missouri	(1) TDs in Missouri banks or short-term Government Securities maturing in one year	(1) Constitution
Montana	N/R	N/R
Nebraska	(1) Prudent man's rule	(1) Statutes
Nevada	(1) Can purchase Time Certificates of Deposit; Treasury Issues Commercial Paper to 28 days with rates not less than 3/4 of 10 percent with no restrictions on amounts.	(1) Statutes
New Hampshire	N/R	N/R
New Jersey	(1) Savings Bank Law permits investment in Commercial Paper; Trust Law determines investment of pensions	(1) Statutes
	(2) Regulations of State Investment Council	(2) Administrative
New Mexico	(1) Authorizes investment prerogatives	(1) Constitution
	(2) Bonds, obligations, or notes of municipalities or U.S. Government Revenue Bonds are under the scrutiny of law	(2) Statutes

Table 14
GUIDELINES FOR PORTFOLIO COMPOSITION
(Page 18)

State	*Guidelines*	*Stipulation*
New York	(1) Direct obligation of federal and New York State, and CDs	(1) Statues
	(2) Competitive rate, bank record of performance	(2) Administrative
North Carolina	N/R	N/R
North Dakota	N/R	N/R
Ohio	(1) Based upon yield, market swings, liquidity, available funds	(1) Administrative
Oklahoma	N/R	N/R
Oregon	(1) Prudent man's rule	(1) Administrative
Pennsylvania	(1) Liquidity (Safety) needs (2) Cash Flow requirements (3) Legal restrictions (4) Yield and mix	N/R
Rhode Island	N/R	N/R
South Carolina	N/R	N/R
South Dakota	(1) Prudent man's rule	(1) Statutes
Tennessee	(1) CDs and Repos in U. S. Government or Agency Securities; Mix and maturity determined by marketing and cash flow needs	(1) Administrative
Texas	(1) Funds must be placed in banks	N/R
Utah	(1) Liquidity and security	(1) Administrative
	(2) Eighty percent of CDs must be invested in-state	(2) Statute
	(3) Strict limitations on out-of-state CD investments (30 day limit, 20 percent of portfolio)	(3) Statute
Vermont	(1) Commercial Paper and CDs	(1) Administrative
Virginia	N/R	N/R
Washington	(1) Safety of principal, liquidity and yield	(1) Statutes
West Virginia	(1) No stocks	(1) Constitution
	(2) Seventy-five percent corporation or the better rates; no municipals, mortgages in property	(2) Statutes
Wisconsin	(1) U.S. Treasury and federal agencies; issues not over five years maturity, collateral loans using 10-year Government Obligation at 98 percent market value	(1) Statutes
Wyoming	(1) U.S. Treasury Government Agencies; first mortgagee bonds; equipment trusts; Repurchase Agreements	(1) Statutes
Puerto Rico	(1) Return and liquidity	(1) Administrative

Key: N/R—No Response

Table 15
SUMMARY OF GUIDELINES EMPLOYED IN DETERMINING TOTAL AMOUNT OF TREASURY BALANCES TO BE INVESTED
(Survey Page 19)

States By Category	*Guidelines*	*Type Of Stipulation*
Discretionary:		
Alabama	(1) Invests all excess cash	-
Alaska	N/R	N/R
Arizona	N/R	N/R
Arkansas	(1) Funds not needed for daily operations are invested	-
Connecticut	(1) "Everything we can get our hands on"	(1) Administrative
Florida	(1) All available funds are invested	(1) Statutes
	(2) Board of Administrators allows Treasury to invest on daily basis	(2) Administrative
Georgia	(1) Invests all funds not needed on daily basis	(1) Administrative
Hawaii	(1) Invests all funds in excess of immediate requirements	(1) Statutes
Idaho	(1) Policy of investing in highest-yielding and most secure assets; All legally available collected funds are invested each day.	(1) Administrative
Indiana	(1) Invests all funds in excess of immediate cash requirements	(1) Statutes
Iowa	(1) Excess invested daily, less compensating balances which are adjusted monthly	N/R
Kansas	(1) Based on daily cash requirements	N/R
Kentucky	(1) All funds in excess of compensatory balances for general depository bank	(1) Administrative
Louisiana	(1) Invest all excess cash above daily requirements	(1) Administrative
Maine	(1) All funds except minimum balance required for operation	(1) Statutes
Maryland	(1) To invest the maximum extent; operate zero balance	(1) Administrative
Massachusetts	(1) All excesses over immediate cash needs	(1) Administrative
Michigan	(1) Invest all excess dollars not needed on a daily basis	(1) Administrative
Mississippi	(1) Maximum amount of cash invested so as to keep the working balance at a minimum; Investment Committee determines amount.	(1) Statutes
Montana	N/R	N/R
Nebraska	(1) To invest the maximum extent after compensating balance	(1) Administrative
New Jersey	(1) Invest all excess cash not required for daily check clearances and/or compensating balances.	(1) Administrative
North Carolina	(1) All funds except for compensating balances	(1) Administrative
North Dakota	N/R	N/R
Ohio	(1) Discretion of Treasurer	(1) Administrative
Oklahoma	N/R	N/R
Oregon	(1) Prudent man's rule	(1) Administrative
Pennsylvania	(1) All funds not required for immediate disbursement	(1) Statutes
Rhode Island	(1) Set up by Investment Committee	(1) Administrative
South Carolina	N/R	N/R
South Dakota	N/R	N/R
Tennessee	(1) Invests all excess cash	(1) Administrative
Texas	(1) Depository Board sets minimum criteria	N/R
Utah	(1) All available funds are invested daily	(1) Administrative
Virginia	N/R	N/R
Washington	(1) All excess cash balances are invested. Compensating balance is maintained in concentration bank account for services provided.	(1) Administrative
Wisconsin	(1) Discretion of State Treasurer	(1) Statutes
Wyoming	(1) Discretion of State Treasurer	N/R
Moderate:		
Delaware	(1) Agreement provides for investment of all balance in excess of $21 million average daily demand balances	(1) Administrative
Minnesota	(1) Investment covers asset placement when money is certified to be in excess of immediate needs	(1) Administrative
Missouri	(1) Funds determined by State Treasurer not to be needed for operating expenses	(1) Statutes
New Hampshire	(1) All excess funds needed for disbursements	(1) Statutes
New York	(1) All funds not immediately needed for expenditures may be invested by law	(1) Statutes
	(2) All amounts in excess of compensating balances may be invested	
West Virginia	(1) One-third of daily balance is needed for working capital	(1) Administrative
Puerto Rico	(1) Excess of $5 million daily	(1) Administrative

Table 15
SUMMARY OF GUIDELINES EMPLOYED IN DETERMINING TOTAL AMOUNT OF TREASURY BALANCES TO BE INVESTED
(Survey Page 19)

States By Category		*Type Of Stipulation*
Specific:		
California	(1) Pooled Money Investment Board determines how much the Treasury should maintain as an average in DDs to compensate bank for service; the remainder is invested in Time Deposits or securities	(1) Administrative
Colorado	(1) TDs in banks doing business in the State of Colorado may be for terms not exceeding two years. $20,000 may be deposited with each State Savings and Loan	(1) Statutes
	(2) Guidelines for amount of Time Deposits with banks relate to the amount of capital funds and loan-deposit ratios	(2) Administrative
New Mexico	(1) Must maintain an average daily balance of $2,615,000 with fiscal agents	(1) Administrative
Vermont	(1) All treasury balance invested for periods up to six months and amounts equal to one week's average expenditures is invested in repositories	(1) Administrative
Procedural:		
Illinois	(1) Computerized cash flow system	(1) Administrative
Nevada	(1) Based on the bank accounting balance	(1) Administrative

Table 16
GUIDELINES FOR DETERMINING TIME PERIOD OF INVESTMENT
(Survey Page 20)

States By Category		Guidelines
DISCRETIONARY:		
Alaska		N / R
Arizona		N / R
Delaware	(1)	Assets of maturities are needed to ensure average demand balance; Prudent Man Rule
Florida	(1)	Treasury is responsible for determining time
Georgia	(1)	None
Idaho	(1)	To invest in securities with best rate available for time period with maturity dates when money is needed to pay state bills; liquidity also important
Maryland	(1)	From one day to undetermined time that meets needs for future
Massachusetts	(1)	Treasury is responsible for determining time within a fiscal year
Montana	(1)	Maturities
North Carolina	(1)	Very liquid assets from one day to three years
North Dakota		N/R
Oklahoma		N/R
Oregon	(1)	"Prudent man's rule"
Rhode Island	(1)	Treasury Office; Prudent Man's Rule; Maximize investment, have monies available when needed
South Carolina		N/R
Virginia		N/R
Washington	(1)	Maturities are based on combination of cash needs and market considerations
West Virginia	(1)	"From experience in the past"
Wyoming	(1)	Based on future needs, Treasurer is responsible for determining time period
MODERATE:		
Alabama	(1)	By statutory authority, all balances in the treasury over 30 days are invested in 91-day deposit accounts; funds anticipated to be here for a lesser time are invested in short-term repurchase agreements
Arkansas	(1)	Long term investments consist of those 180 days or longer; Repurchase agreements not to exceed 40 days; Investment maturities based on cash needs
California	(1)	Commercial Paper limited to 180 days, 30 percent of portfolio, and 10 percent of issues outstanding paper
	(2)	CDs one year by statute; the terms of other securities are left up to the discretion of the Treasurer
Colorado	(1)	TDs are made for 360 days in an aggregate amount not exceeding one third of treasury working balance
	(2)	One third of working cash is maintained in investments maturing from one day to one month
	(3)	Twenty percent in securities with maturities of one to five years which are readily marketable
Hawaii	(1)	By law investments must be in securities due to mature not more than five years from date of investment
	(2)	Within this constraint investments are purchased to mature on dates to meet projected needs
Kansas	(1)	Varying—statutory and administrative
Louisiana	(1)	CDs for periods over 30 days; U.S. direct obligation for 1- to 29-day period
Maine	(1)	Idle funds two years; policy is in general for 90 days
Michigan	(1)	CDs for one year ceiling, Commercial Paper and Bills usually for short-term periods
Minnesota	(1)	Treasury cash maturities not exceed three years; no limitation otherwise
Mississippi	(1)	No maturity over one year
Montana	(1)	Maturities of government securities 270 days or less
New Mexico	(1)	Prior consent of Board of Finance
	(2)	Maturity of investment needs to correspond with the periods of monetary needs
Ohio	(1)	Two-year statute limitation; maturities must coincide with disbursements and market conditions
Pennsylvania	(1)	For portfolio investments, cash flow is key guideline
	(2)	For Time Deposits, six months is usual term and is set by State Board of Finance and Revenue
Texas	(1)	Time periods staggered over relatively short periods of time (15-90 days)
Wisconsin	(1)	Ten-year statute limitation; maturities must coincide with disbursements and market conditions
Puerto Rico	(1)	Generally 90 days for CDs, other investments one year
PROCEDURAL:		
Connecticut	(1)	Cash flow analysis determines the time period
Illinois	(1)	Computerized cash flow system
Indiana	(1)	Based on cash flow needs
Iowa	(1)	Based on liquidity and cash disbursement needs
Kentucky	(1)	Cash needs of state; interest rates
Missouri	(1)	Liquidity needs based on computerized cash flow
Nebraska	(1)	Cash flow analysis
Nevada	(1)	Cash flow analysis determines time period
New Hampshire	(1)	Decision made at time of investment after reviewing cash flow
New Jersey	(1)	Based upon requirements as determined by cash flow forecast
New York	(1)	Limited to certain maturity dates
	(2)	Estimates of cash flow
South Dakota	(1)	Cash flow analysts
	(2)	No maturities greater than three years
Tennessee	(1)	Cash flow analysis
Utah	(1)	Based on projected cash flow requirements
Vermont	(1)	Time period determined by Treasurer in accordance with cash flow projections

Key: N/R—No Response

Table 17
STATE GUIDELINES FOR DISTRIBUTING TIME DEPOSITS AND CERTIFICATES OF DEPOSIT
(Survey Page 21)

States By Category	*Guidelines In Determining Distribution Of TDs-CDs Relative To Other Investments*	*Criteria Used For Selection Of Banks As Depositors For Treasury Balances*
DISCRETIONARY:		
Alaska	N/R	N/R
Arizona	N/R	N/R
Arkansas	Determined by Treasury Management Law and directives by the Board of Finance	N/R
Connecticut	No guidelines	Twenty largest banks in country, and all state and national banks in the State
Illinois	TDs favored	N/R
Louisiana	Determined by State Treasurer	All banks in the state if they have collateral to secure funds
Minnesota	N/R	N/R
Missouri	Determined by State Treasurer	Has a model for investment of inactive funds
Montana	No guidelines	
Nevada	Based on needs of State; yield	Banks within the State; ratio of bank assets to total of all bank assets
New York	Some accounts do not permit CDs; market conditions determine the form of investment	Size of the bank
North Dakota	N/R	N/R
Ohio	Determined by Treasurer	Size of financial institutions, available services of banks, compensating balances required to deliver such services
Oklahoma	N/R	N/R
Pennsylvania	Determined by State Treasurer	N/R
Rhode Island	Treasurer and Deputy Treasurer	N/R
South Carolina	N/R	N/R
Utah	Rate and quality	Selected money center and regional banks and all banks and S&Ls in the state
Virginia	N/R	N/R
Washington	Discretionary decision by State Treasurer	Banks must be designated as qualified public depositories by Public Deposit Protection Commission; Allocation determined by size
Wisconsin	Discretion of Investment Board	Secondary market, meets financial criteria established by Investment Board
Wyoming	Determined by State Treasurer	All banks are eligible; decision made by Governor, Treasurer, and Secretary of State who set the rates
Puerto Rico	No guidelines	Solvency and collateral given
MODERATE:		
California	Pooled Money Investment Board determines the amount invested in Time Deposits	Highest rate; if no difference, then based on size of bank
Delaware	Not more than 50 percent in CDs and TDs	Asset size of $5 billion or more; A Keefe, Bruyette, & Wood's rating of "B" or better, and no more than $10 million to any one issuer
Florida	Favors CDs in Florida banks and S&Ls	Size of county; amount of sales tax collected by county; size of bank or S&L
Georgia	CDs to extent of demand and variability	Total state CDs not to exceed ten percent of bank's deposit
Hawaii	Maintains a small amount of Treasury Bills or RAs so as to provide the necessary liquidity to meet unanticipated cash outflows	Ability to collateralize deposit; interest rates; service offered; to provide available cash to meet projected requirements of maturity at the bank
Idaho	Determined by rate and liquidity	Banks issuing TDs shall certify capital and reserves; all banks in State wanting TDs are required by law to be given them
Indiana	TCs in Indiana banks preferred	Capital, structure and trust proposals
Iowa	Based on liquidity	N/R
Kansas	Administrative guidelines for liquidity needs	All banks eligible for inactive accounts (CDs); TDOAs in 15 largest banks
Kentucky	Informal 50/50 ratio between CDs and other forms of investments; Interest rate is determining factor	N/R
Maine	CDs—40 percent; other—60 percent	N/R
Maryland	TDs to extent available and desired by Maryland banks	Funds available to any Maryland commercial bank to the extent of 25 percent of capital and surplus; if still excess, then by bid

Table 17
STATE GUIDELINES FOR DISTRIBUTING TIME DEPOSITS AND CERTIFICATES OF DEPOSIT
(Survey Page 21)

State By Category	*Guidelines In Determining Distribution Of TDs-CDs Relative To Other Investments*	*Criteria Used For Selection Of Banks As Depositors For Treasury Balances*
Massachusetts	No guidelines except the amount that can be placed in any bank	Funds available, market rate, and no deposit in excess of 75 percent of bank's capital surplus and undivided profits
Michigan	No guidelines except the amount that can be placed in any bank	Funds available, market rate, and no deposit in excess of 50 percent of capital and surplus
Nebraska	Investment officer follows a percentage guideline	N/R
New Hampshire	---	Capital and surplus of the bank
New Jersey	N/R	N/R
North Carolina	CDs with state banks and S&Ls limited to 50 percent of their capital accounts	Banks and S&Ls must be located in State
Tennessee	Repos for daily liquidity and balance in CDs	Request by banks and willingness to pay posted rates and provide acceptable collateral
South Dakota	Cash flow analysis; no maturities greater than three years	N/R
SPECIFIC:		
Alabama	Any funds anticipated to be in Treasury longer than 30 days are invested in time deposits; the funds held for a shorter period are invested in repurchase agreements	N/R
Colorado	TDs are made for up to 2-3 years	All banks in the State are eligible
Mississippi	Only CDs held and repos	Bank must be approved as state depository by Depository Commission
New Mexico	All public monies not in interest-bearing securities must be placed in CDs; monthly needs in repository; all else in CDs	Loan deposit ratio 70 percent and over; banks' financial stability; growth potential of the bank's loan area; public funds to total deposit ratio; cannot exceed 25 percent; public deposits cannot exceed 40 percent of equity
Oregon	Administrative program of $90,000 available for TCDs	Competitive bids
Texas	Time deposits only	
Vermont	Investments are usually in Commercial Paper and CDs only	Bid basis from largest bank
West Virginia	All in Treasury Bills, except short periods where RAs are used	Qualifications as state depository

Key: N/R — No Response

TABLE 18

TREATMENT OF INVESTMENTS FOR SPECIAL FUNDS
(Question D13)

State	*Special Guidelines*	*Type of Treatment*
Alabama	★	Several small miscellaneous funds are invested in direct government obligations.
Alaska	N/R	
Arizona	N/R	
Arkansas	★	Interest credited to trust fund agency accounts directly.
California		
Colorado	N/R	
Connecticut		
Delaware		
Florida		
Georgia		
Hawaii		
Idaho	★	Interest goes to individual funds if required by law; all other interest by law goes to General Account.
Illinois		
Indiana	★	Trust Fund earnings remain a part of the fund, except Common School Fund investment which becomes part of General Fund.
Iowa		
Kansas	★	Some segregation.
Kentucky		
Louisiana		
Maine		
Maryland	★	According to specific law.
Massachusetts		
Michigan	★	Differing investment criteria including qualifying investments and short long/term orientation.
Minnesota	★	Statutory authorities for investments.
Mississippi	★	Special Agency Funds are not governed by statute as to interest rate limitation and distribution.
Missouri	★	Water Pollution Control Bond and Interest—Time Deposits.
Montana	N/R	
Nebraska		
Nevada		
New Hampshire		
New Jersey	★	Based upon bond indentures of certain state agencies.
New Mexico		
New York	★	Each fund has its own investment parameters prescribed in law.
North Carolina		
North Dakota	N/R	
Ohio	★	Invest as to cash needs.
Oklahoma	N/R	
Oregon	★	The higher of the average fund yield or market yield.
Pennsylvania	★	Invested per the instructions of the specific agency.
Rhode Island		
South Carolina		
South Dakota		
Tennessee		
Texas		
Utah	★	State law permits funds of the State Land Board and the State Insurance Fund to be invested in corporate bonds and common stock.
Vermont		
Virginia		
Washington	★	Special bond funds (under bond covenants), investments limited to Government guaranteed issues.
West Virginia		
Wisconsin	★	Certain funds are restricted to particular investments.
Wyoming	★	Purpose of the fund and statutory requirements of the fund are taken into account.
Puerto Rico	★	Public interest.

Key: N/R—No Response

4. Portfolio Composition

Tables and comments in this section are oriented to treasury cash management of short-term investments. The most commonly used instruments are time deposits, certificates of deposit and repurchase agreements. Pertinent data relative to these investments are tabulated by state in Tables 19 through 31.

Investment Timing and Maturities

The maturities of short-term investments are predicated on cash needs, and Table 19 reflects the average percentage of the portfolio classified by maturities. Many states may be experiencing cash flow problems because of the economic downturn and federal budget policies. This condition could alter investment strategy by imposing a shorter term requirement. The maturities of the investments vary, with 37 of the 43 responding states investing overnight. More states invest for 6-30 days and 31-90 days than for the other time periods.

Time Deposits

Forty-four of the 47 responding states have treasury balances in time deposits. Table 20 indicates that 29 states have time deposits in both banks and savings and loans, while only 14 states have time deposits in banks only.

The criteria for selecting financial institutions and allocating time deposits are too varied to categorize. The criteria, by state, are reflected in Tables 21 and 22. Thirty-one of the 45 responding states indicated state banks are preferred for time deposits.

A summary of the methods used and responsibility for determining time deposit interest rates is shown in Table 23. Various short-term government instruments and established market rates are used in establishing time deposit rates. The past practice of offering attractive below market rates to in-state banks, by many states, no longer prevails and appears to be giving way to realistic market rates.

Thirty-one states prefer in-state banks for certificate of deposit purchases, while 17 states are allowed to have certificates of deposit in out-of-state banks, as shown in Table 24. The tabulation of the actual use of out-of-state CDs is interesting, with six states placing from 50 percent to 100 percent of their CDs in out-of-state banks, six states under 50 percent, and five states, although authorized, not using them at all.

Table 25 indicates that all reporting states use repurchase agreements except two: Texas, which is restricted by statute, and Puerto Rico.

Portfolio Purchasing and Analysis

In purchasing investments, commercial banks are most widely used, with 42 states reporting their use. Twenty-nine of these same 42 states also utilized the services of brokerage firms and two additional states use a brokerage firm exclusively. Four states use the Federal Reserve System, with Tennessee using only the Federal Reserve System. A tabulation is shown in Table 26.

The average daily balance invested in the states ranged all the way from $4 million to $2.5 billion, with an average annual yield of 13.52 percent. This information, along with the interest earned and average of funds invested during the 1982 fiscal year, is shown in Table 27.

Table 28 indicates the investment instruments that are prohibited for the states that have statutory restrictions. Forty-two of the responding 46 states have statutory restrictions, with 37 of the states being prohibited from investing in corporate stocks. A majority of the states with statutory restrictions are also prohibited from investing in commercial paper (22 states), domestic bankers acceptances (21 states), and foreign bankers acceptances (30 states). The portfolio composition (excluding retirement fund balances) at the 1982 fiscal year end for each state is indicated in Table 29-I and 29-II.

Pension Funds

Only 15 reporting states relegate the responsibility of investing pension funds to the State Treasurer. Those states and their investment limitations and restrictions are shown in Table 30.

Assistance to Local Governments

Twenty-eight states reported that they assisted local government while nineteen gave no assistance as shown in Table 31. Of the group reporting assistance, 18 states operate local government investment pools.

Table 19
INVESTMENT TIMING AND MATURITIES
(Questions D5, 6)

State	Investment Timing	Average Maturities (Number of Days)						
		Overnight	1-5	6-30	31-90	91-180	181-360	Over 360
Alabama	Daily	10			90			
Alaska	N/R	N/R						
Arizona	N/R	N/R						
Arkansas	Daily		28			72		
California	Daily		31.3(a)	26.5	18.6		18.8(b)	4.8
Colorado	Daily	10	5	10		75		
Connecticut	Daily, As Funds Are Available	25		15	30	20	5	5
Delaware	Daily	20	7	17	3	37	16	
Florida	Daily	8	9	5	12	61	5	
Georgia	As Funds Are Available	10		35	15	30	2	8
Hawaii	Daily	(c)						
Idaho	Daily, Long-term			37.73	17.71	14.63	15.42	14.51
Illinois	Daily, Weekly, Monthly, Quarterly, As Funds Are Available (d)	25		25	15		25	10
Indiana	Daily, As Funds Are Available	(e)						
Iowa	Daily	12.6	7.5	41.5	8.5	3.4	5	21.4
Kansas	Daily, As Funds Are Available	15		29		56		
Kentucky	As Funds Are Available	(f)						
Louisiana	As Funds Are Available			15.57		84.43		
Maine	Daily, As Funds Are Available	5		5	40	40		
Maryland	Daily	7.346	2.180	33.041	6.091	3.727	5.789	41.826
Massachusetts	Daily	30	20	15	15	10	10	6
Michigan	Daily	10	22	50	12			
Minnesota	Daily	20	20	40	10	10		
Mississippi	Daily, As Funds Are Available	13			87			
Missouri	As Funds Are Available	50			25	25		
Montana	Daily	16			28			56
Nebraska	Daily, As Funds Are Available	10	10	20	25	10	20	5
Nevada	Daily				80			
New Hampshire	As Funds Are Available	50		35	15			
New Jersey	Daily, As Funds Are Available	5	15	65	10	4	1	
New Mexico	As Funds Are Available	20		20		10	10	40
New York	Daily, As Funds Are Available	3	7	15	10	60	5	
North Carolina	Daily	13		16	4	12	19	36
North Dakota	N/R	N/R						
Ohio	Daily, Weekly, Monthly, Quarterly, As Funds Are Available	15	(a)	5	10	20	15	35
Oklahoma	N/R	N/R						
Oregon	Daily	15	59				1	25
Pennsylvania	Daily	N/R						
Rhode Island	Daily, Weekly, Monthly, As Funds Are Available	1		1	14	2	2	80
South Carolina	Daily	N/R						
South Dakota	As Funds Are Available	2	10	25.5	20	20		22.5
Tennessee	Daily	14		14	35	25	12	
Texas	Daily			(g)				
Utah	Daily, As Funds Are Available	20		60	10			10
Vermont	Daily, Weekly, Monthly As Funds Are Available	25	25	40	10			
Virginia	Daily, As Funds Are Available	49.0			.2	8.2	37.2	5.4
Washington	Daily	10	1	20	44	5	5	15
West Virginia	As Funds Are Available	5	5	5	5	5	5	70
Wisconsin	Daily	12		43.4		4.5	1.6	38.5
Wyoming	Daily, Weekly, Monthly, Quarterly, As Funds Are Available	(f)						
Puerto Rico	Daily, Weekly, Monthly, Quarterly, As Funds Are Available	5	10	20	30	20	10	5

Key: N/R—No Response
(a) In combination with overnight
(b) In combination with 91-180 days
(c) According to Maturity Changes
(d) Illinois/Annually-Bank Deposit Programs. Bids accepted twice a year from all banks in state for one year time deposits.
(e) Percentage Varies
(f) Information not available
(g) All funds put in Depository Banks 15-90 days

Table 20
TREASURY BALANCES IN TIME DEPOSITS
(Question D7)

State	Balances In Time Deposits	Number of Firms Holding Balances					
		$0-100,000	$100,000-250,000	$250,000-500,000	$500,000-1 Million	$1-Million 5 Million	Over $5 Million
Alabama	★		B-3	B-12	B-70	B-185	B-25
Alaska	N/R			S-7	S-6	S-12	
Arizona	N/R						
Arkansas	★	B-2	B-20	B-127	B-83	B-27	B-1
			S-25	S-31	S-8	S-3	
California	★		B-12	B-11	B-17	B-10	B-1
			S-13	S-9	S-9	S-13	S-23
Colorado	★	B/S-4	B/S-11	B/S-34	B/S-34	B/S-99	B/S-14
Connecticut	★			B-3-S-1		B-3	B-9
Delaware	★						B-9
Florida	★		B-29	B-59	B-50	B-65	B-29
			S-7	S-2	S-2	S-13	S-28
Georgia							
Hawaii	★	B-2	S-4				B-8
		S-1					S-3
Idaho							
Illinois	★	(a)					
Indiana	★	B-Varies					
		S-None at present					
Iowa	★		B-7	B-1	B-4	B-2	
Kansas	★	B-1	B-21	B-9	B-6	B-2	
Kentucky	★	B-32	B-57	B-66	B-79	B-83	B-12
Louisiana	★	B-11	B-19	B-27	B-48	B-97	B-64
		S-46	S-6				
Maine	★		B-12	B-13	B-15	B-5	
			S-2	S-1			
Maryland	★		B-6	B-3	B-4	B-8	
			S-84				
Massachusetts	★	B-10	B-18	B-18	B-17	B-29	B-3
		S-5					
Michigan		S-1					
Minnesota							
Mississippi	★	S-59		B-45	B-99	B-55	B-5
Missouri	★	B-110	B-130	B-106	B-31	B-18	B-6
Montana	★	B-145	B-10	B-10			
Nebraska	★	B-13	B-48	B-220			
		S-8	S-1	S-16			
Nevada	★					B-3	
						S-4	
New Hampshire	★	B-6		B-4		B-2	B-1
New Jersey	★		B-1	B-2	B-1	B-3	
			S-1			S-3	
New Mexico	★				B-7	B-38	B-42
					S-2	S-15	S-17
New York	★	(b)					
North Carolina	★	B-6	B-5	B-9	B-5	B-10	B-4
		S-38	S-9	S-7	S-12	S-22	
North Dakota	N/R						
Ohio	★	S-1	B-1	B-9	B-7	B-2	
						S-4	S-1
Oklahoma	N/R						
Oregon	★	B-3	B-5	B-10	B-5	B-5	B-4
Pennsylvania	★		B-139	B-39			
			S-6				
Rhode Island	★		B-4	B-1	B-7	B-7	B-5
			S-1	S-1	S-1	S-1	
South Carolina	★	All					
South Dakota	★	B-51	B-27	B-10	B-4	B-3	B-1
		S-15					
Tennessee	★		B-50	B-35	B-60	B-75	B-20
			S-55	S-1	S-12	S-5	S-3
Texas	★		B-250	B-300	B-400	B-450	B-50
Utah	★		B-10	B-15	B-10	B-5	B-2
			S-1		S-1	S-1	S-1
Vermont	★			B-10-15		B-2-3	
Virginia	★	B-75	B-16	B-9	B-2	B-10	
		S-29					
Washington	★		B-9	B-31	B-22	B-16	
			S-50				
West Virginia	★		B-30	B-31	B-34	B-48	B-2
			S-21				
Wisconsin	★						B-11
Wyoming	★	B-10	B-20	B-34	B-35	B-12	
				S-2	S-3	S-8	
Puerto Rico	★				B-9	B-1	B-1

Key: N/R—No Response B—Banks S—Savings & Loans

(a) 1030 out of 1268 banks have deposite, as do 281 out of 531 S&L's. All are eligible; preference goes to those wishing to participate in Treasurers Social Investment programs.

(b) Banks—More than 50 total

Table 21
CRITERIA FOR SELECTING FINANCIAL INSTITUTIONS FOR TIME DEPOSITS
(Question D7)

State	*Selection Of Banks*	*Selction Of Savings & Loans*
Alabama	Application by the institution. Virtually all of Alabama banks are approved depositories	Application by the institution. Approximately one-half of savings and loans receive state funds
Alaska	N / R	N / R
Arizona	N / R	N / R
Arkansas	Capital structures with preferential treatment given for loan to deposit ratios of funds kept in Arkansas by these depositories	Same as for banks
California	Maximum yield	Maximum yield
Colorado	Monthly auction	Monthly auction
Connecticut	Keefe Bruyette and Wood Bank Rating Service	In-state only—in-house credit analysis
Delaware	Asset size $5 billion or more, A Keefe Bruyette & Wood's Rating of "B" or higher, and no more than $10 million to any one issuer	N/R
Florida	Qualified public depository	Same as for banks
Georgia	N/R	N/R
Hawaii	Federally insured and doing business in the state	Same as for banks
Idaho	All banks in the state desiring a state deposit and certifying their capital and surplus to the State Treasurer are given deposits—Idaho law	Idaho law allows deposits up to the limit of the federal insurance; we have a multiple custodian law which gives us additional federal insurance
Illinois	Competitive bid and program funding (i.e., mortgages)	Same as for banks
Indiana	Statutory	Statutory
Iowa	Need for funds to meet loan demand; loan/deposit ratio	N/A
Kansas	Statutory	N/R
Kentucky	Willingness to pay established interest rate and serving economic needs of the communities	N/R
Louisiana	Request for funds are honored if funds are available and banks have collateral to secure the funds. Must be in state	Limited to amount insured by FSLIC $100,000
Maine	Capital surplus—individual profits	Same as for banks
Maryland	All banks in the state are eligible	All savings and loans in the state are eligible
Massachusetts	Bid	Bid
Michigan	Cash flow requirements and comparison with alternative forms of investment	Same as for banks
Minnesota	N/R	N/R
Mississippi	Approved state depository—statute	Same as for banks
Missouri	Any Missouri bank may apply for funds	Not permitted to use as depositories
Montana	All banks eligible; selections based on location to depositors	N/R
Nebraska	N/R	N/R
Nevada	FDIC	FSLIC
New Hampshire	Geographic location and bank's capital structure	N/R
New Jersey	Interest rate auction bid by New Jersey institutions	Same as for banks
New Mexico	FDIC	FSLIC
New York	Statutory directives, financial strength, willingness to meet guidelines	N/R
North Carolina	At bank's request limited to percentage of equity	At savings and loans request limited to percentage of equity or reserves as appropriate
North Dakota	N/R	N/R
Ohio	Legislative authority by Board of Deposit	Same as for banks
Oklahoma	N/R	N/R
Oregon	Once approved by application, deposits are by auction	No deposits at this time
Pennsylvania	Minimum legal capital requirements as imposed by State's Fiscal Code	With review by State Board of Finance and Revenue
Rhode Island	Credibility, size-bid rates	Same as for banks
South Carolina	Size	Insurance
South Dakota	Total offered is equal to each bank's prorated share of loans and SD municipal bonds to total in SD; $100,000 offered to each	Same as for banks
Tennessee	State statutes apply	Same as for banks
Texas	Statute	N/R
Utah	Out of state—top 30 banks on basis of best rate. Local—best rate	Local—best rate
Vermont	Largest as per bank commissioner's annual report	N/R
Virginia	FDIC insured plus 50% collateral deposit over $100,000	FSLIC insured plus 100% collateral deposit over $100,000

Table 21
CRITERIA FOR SELECTING FINANCIAL INSTITUTIONS FOR TIME DEPOSITS
(Question D7)

State	*Selection Of Banks*	*Selction Of Savings & Loans*
Washington	National and state chartered banks located in state.	Federal and/or state chartered S&L's in state—deposit only up to FLSIC coverage.
West Virginia	State Code	State Code
Wisconsin	Must be marketable—must meet financial criteria established by Investment Board.	None
Wyoming	All are eligible	Same as for banks
Puerto Rico	Solvency and collateral provided to us.	N/A

Key: N/A—Not Applicable
N/R—No Response

Table 22
POLICY FOR ALLOCATION OF TIME DEPOSITS
(Questions D8, 9)

State	Criteria For Allocation Of Time Deposits		State Banks Preferred For	Statutory Or Administrative
	Statutory	Administrative	Time Deposits	
Alabama		Discretion of State Treasurer	Yes	S
Alaska	N/R	N/R	N/R	N/R
Arizona	N/R	N/R	N/R	N/R
Arkansas	Pro rata share based on capital structure		No	
California	Maximum yield; availability of collateral; limited to paid in capital & surplus		Yes	S
Colorado		Qualify for 40 percent of capital plus $1.2 million to $11 million	Yes	A
Connecticut		Guideline developed by staff, approved by Advisory Council	Yes	A
Delaware	Asset size, rating, no more than $10 million to any issuer		No	
Florida	Florida banks & S&L's	On Request—by size	Yes	S
Georgia	N/R	N/R	N/R	N/R
Hawaii	Not more than 60 percent in any depository	Services provided to state; competitiveness of interest rates; ability to collateralize deposits	No	
Idaho	Yes		No	
Illinois		Outstanding loans/bid rate	Yes	A
Indiana	60 percent capital, surplus and undivided profits; trust fund proposals		Yes	S
Iowa		Individual case	No	
Kansas	Yes		No	
Kentucky		Yes	Yes	S
Louisiana		Yes	Yes	S
Maine		Yes	No	
Maryland		Yes	Yes	S
Massachusetts		Bid	Yes	A
Michigan		Yes	Yes	S
Minnesota	N/R	N/R	N/R	N/R
Mississippi	General Funds	Special Agency Fund	No	
Missouri		50 percent or better loan to deposit ratio on general fund monies; separate criteria requirement on special Time Deposits	Yes	S
Montana		Done by Board of Investments	No	
Nebraska	$500,000 available to bank and S&L in state		Yes	S
Nevada		Yes	No	
New Hampshire		Capital structure and rate	Yes	A
New Jersey		Adequate capitalization and ability to collateralize	Yes	A
New Mexico	Up to 400 percent of equity and 25 percent of total deposits	Treasurer and Board of Finance regulates	No	
New York		Yes	Yes	S
North Carolina		Yes	Yes	S
North Dakota	N/R	N/R	N/R	N/R
Ohio		Decision based on performance criteria	Yes	S
Oklahoma	N/R	N/R	N/R	N/R
Oregon		Monthly auction for banks	Yes	A
Pennsylvania		Yes	Yes	A
Rhode Island	Prudent Man Rule	Prudent Man Rule	Yes	A
South Carolina		Yes	Yes	A
South Dakota		Yes	No	
Tennessee		Requested by banks; availability of funds; acceptable and sufficient collateral	Yes	A
Texas	Yes		Yes	S
Utah		Administrative decision based upon size of total deposits and/or net worth	Yes	S
Vermont		Yes	Yes	A
Virginia	Yes		Yes	S
Washington	Discretion of State Treasurer	Allocation by size	Yes	S
West Virginia	Yes		Yes	A
Wisconsin		Rate	No	
Wyoming	Allocation by formula	Allocation by formula	Yes	A
Puerto Rico		Preference given to Government Development Bank	No	

Key: N/R—No Reponse
S—Statutory
A—Administrative

Table 23
SUMMARY OF METHODS USED AND RESPONSIBILITY FOR DETERMINING TIME DEPOSIT INTEREST RATES
(Survey Page 22)

State	*Method Used In Determining Rate*	*Responsibility For Determining Rate*
Alabama	Based on four week average of 91 day U.S. Treasury auction	Statute
Alaska	N/R	N/R
Arizona	N/R	N/R
Arkansas	Distributed proportionally based on capital structures. Interest rates based on coupon equivalency of the 90 day U.S. Treasury Bill	N/R
California	Negotiated by Treasurer	Treasurer
Colorado	Market survey	Bid by bank; State Treasurer and Investment Officers determine lowest rate acceptable
Connecticut	Prevailing market rate	Investment Officer
Delaware	Mean between CD rates and U.S. Treasury yield of same maturities	An agreement sets the procedure based on market
Florida	Average of CD quotations or Treasury Bill yield	State Board of Administration
Georgia	Market bid for less than 90 days; rate bid over 90 days used as a criterion	Fiscal Division Director under Board policy
Hawaii	Local banks set their own rates based upon market conditions	Director of Finance
Idaho	Use last Treasury Bill auction of each month; 14-91 day TCD rate is 102.5 percent of three month auction average; 92-182 day rate is 105 percent of three month auction average; 183-273 day TCD rate is 107.5 percent of six month auction average; 274-364 day TCD rate is 110 percent of six month auction average; and 365-370 day TCD rate is 115 percent of six month auction average. Rates are effective for the following month only. New rates set by same formula each month.	Idaho law
Illinois	On the basis of bids received	Treasurer
Indiana	Negotiated	Treasurer, Investment Manager
Iowa	Current market	Deputy Treasurer and Treasurer
Kansas	Based on a three-month average of 91-day Treasury Bill rate	Pooled Money Investment Board
Kentucky	One hundred percent of average rate determined from quotes from at least seven banks from contiguous states—at least four banks must be in Kentucky	State Treasurer
Louisiana	U.S. Treasury Bill working rate for 13 and 26 weeks	Statute
Maine	N/R	Treasurer
Maryland	By Reg. Q or market rate	Treasurer
Massachusetts	Bid by State Treasurer	Treasurer
Michigan	Market rate	Treasurer
Minnesota	Competitive bid	State Board of Investment
Mississippi	Two percent below Treasury discount rate	Statute
Missouri	Statute	State Treasurer
Montana	No treasury funds in bank Time Deposits	N/R
Nebraska	Competitive rate available; determined from bids by major banks	Investment Officer
Nevada	Not less than 3/4 of one percent less than average on Treasury Bill; Bid	Treasurer
New Hampshire	The current rate	Treasurer
New Jersey	Competitive bid through Auction System	Director, Division of Investment, establishes minimum rate
New Mexico	Treasury Bill rate bond equivalent for one year; Treasury note rate for over one year	Board of Finance and State Legislature
New York	Market situation; highest rate	Treasurer
North Carolina	Not less than the rate on U.S. Treasury Securities of comparable maturity	Treasurer, Governor, and Council of State
North Dakota	N/R	N/R
Ohio	Market rate	Treasurer
Oklahoma	N/R	N/R
Oregon	Competitive bids	Competitive bids
Pennsylvania	Set by Board of Finance and Revenue each December and June. Negotiable CDs at market, using competitive bids	Board of Finance and Revenue
Rhode Island	Receive bids on daily basis; bids determine selection	Deputy General Treasurer by bids received
South Carolina	Market Rates	State Treasurer

Table 23
SUMMARY OF METHODS USED AND RESPONSIBILITY FOR DETERMINING TIME DEPOSIT INTEREST RATES
(Survey Page 22)

State	*Method Used In Determining Rate*	*Responsibility For Determining Rate*
South Dakota	Coupon equivalent yield of one year Treasury Bill	Investment Council
Tennessee	On current money rate such as New York market	Treasurer
Texas	Money market	State Depository Board
Utah	Competitive rate based on market quotes of the 5-7 largest banks in the State	Investment Officer
Vermont	Negotiation	Treasurer
Virginia	N/R	N/R
Washington	Based on composite CD note as reported by New York Federal Reserve Bank	Treasurer
West Virginia	Current market rate	Treasurer
Wisconsin	Competitive bid	Investment Board
Wyoming	Rate evaluation every three months; otherwise no set formula	Governor, Treasurer, and Secretary of State
Puerto Rico	Negotiated	Secretary of the Treasury

Key: N/R—No Response

Table 24
METHODS OF SELECTING BANKS FOR CERTIFICATES OF DEPOSIT
(Questions D10, 11, 20)

State	State Banks Preferred For CD Purchases	Statute Or Administrative	Allocation Of CD Purchases	Statute Or Administrative	CD's Allowed In Out-Of-State Banks	Percentage Of Deposits Out Of State
Alabama	Yes	S	Requested by bank; decision by treasury official; equal distribution; bank size	S	No	
Alaska	N/R	N/R	N/R	N/R	N/R	N/R
Arizona	N/R	N/R	N/R	N/R	N/R	N/R
Arkansas	No		Pro rata share based on $100,000 minimum. Prefer those keeping deposits in Arkansas		No	
California	No		Bid; amount depends on capital & surplus of bank	A	Yes	65
Colorado	Yes	A	Bid	A	No	
Connecticut	Yes	A	Request by bank	A	Yes	85
Delaware	No		Bid	A	Yes	100
Florida	(CD's are time deposits)		Request by bank	A	No	
Georgia	Yes	A	Request by bank; bid; (under 90 days)	A	No	
Hawaii	No		Debt service requirements; warrant clearance & services; collateral	S/A	No	
Idaho	No		Up to limit of federal insurance; percentage based on capital & surplus of bank compared to total of all banks	S	No	
Illinois	Yes (a)	A	TD's; request by bank; bid; equal distribution; decision by Treasurer/Chief Fiscal Officer; weighed loan categories	A	No	
Indiana	Yes	S	Request by bank; General Fund—60 percent capital; surplus & undivided profit; Trust Fund Biennial proposals from banks	S/A	No	
Iowa	No		Request by bank; decision by Treasurer or Deputy	A	No	
Kansas	No		Bid; capital & surplus	S/A	No	
Kentucky	Yes	S	Decision by State Treasurer	S	Yes	0
Louisiana	Yes	S	Request by bank	A	No	
Maine	No		Bid; decision by treasury official; 25 percent capital surplus & profits	S/A	No	
Maryland	Yes	S	Request by bank	A	No	
Massachusetts	Yes	A	Bid	A	Yes	10
Michigan	Yes	S	Request by bank; bank must pay market rates	A	No	
Minnesota	Yes	S	Board of Investment determines amount of CD's to purchase & rate. Bank subscribes to how many it wishes to sell		Yes	0
Mississippi	No		Equal distribution; decision by treasury official; based upon capital & surplus	S	No	
Missouri	No		N/R		No	
Montana	Yes	S	Request by bank; percentage limitations of maximum dollars awarded	A	No	
Nebraska	Yes	A	Request by bank	S	Yes	2
Nevada	No		Bid	A	Yes	50
New Hampshire	Yes	A	Request by bank; decision by treasury official	A	Yes	10
New Jersey	Yes	A	Request by bank; bid	A	Yes	80
New Mexico	No		Request by bank; pro-rated on basis of size		No	
New York	Yes	S	Request by bank; bid; decision by treasury official; financial condition of bank	A	No	
North Carolina	Yes	S	Request by bank or S&L—rate set by State Treasurer	A	No	
North Dakota	N/R	N/R	N/R	N/R	N/R	N/R
Ohio	Yes	S	Request by bank or S&L; decision to invest in CDs is evaluated on basis of yield and how they compare to other investment instruments	A	No	
Oklahoma	N/R	N/R	N/R	N/R	N/R	N/R
Oregon	Yes	A	Bid	A	No	
Pennsylvania	Yes	A	Bid	A	Yes	10-15
Rhode Island	Yes	A	Request by bank; bid; decision by Deputy General Treasurer; CD's in relation to size of bank	A	Yes	2

Table 24
METHODS OF SELECTING BANKS FOR CERTIFICATES OF DEPOSIT
(Questions D10, 11, 20)

State	State Banks Preferred For CD Purchases	Statute Or Adminis-trative	Allocation Of CD Purchases	Statute Or Adminis-strative	CD's Allowed In Out-Of-State Banks	Percentage Of Deposits Out Of State
South Carolina	No		By size		No	
South Dakota	No		Total offered is equal to bank's prorated share of loans & SD municipal bonds to total in SD; $100,000 offered to each	A	Yes	0
Tennessee	Yes	A	Request by bank; decision by cash manager; must meet collateral requirement	A	No	
Texas	Yes	S	Request by bank		No	
Utah	Yes	S	Bid; administrative decision based on size of total deposits and/or net worth	A	Yes	20
Vermont	Yes	A	Equal distribution; decision by State Treasurer	A	Yes	0
Virginia	Yes	S	Request by bank; bid	S	No	
Washington	Yes	S	Formal CD program-allocation based on size	A	No	
West Virginia	Yes	A	State law	S	Yes	0
Wisconsin	No		Rate	A	Yes	100
Wyoming	Out of State Not Permitted		Bid	A	No	
Puerto Rico	No		Director, Bureau of Treasury		No	

Key: N/R—No Response
A—Administrative
S—Statute
(a) Not purchased by State Treasurer—made through fully collateralized time deposits

Table 25
REPURCHASE AGREEMENTS
(Question D12)

State	Repurchase Agreements Used	State	Repurchase Agreements Used
Alabama	★	Montana	★
Alaska	N/R	Nebraska	★
Arizona	N/R	Nevada	★
Arkansas	★	New Hampshire	★
California	★	New Jersey	★
Colorado	★	New Mexico	★
Connecticut	★	New York	★
Delaware	★	North Carolina	★
Florida	★	North Dakota	N/R
Georgia	★	Ohio	★
Hawaii	★	Oklahoma	N/R
Idaho	★	Oregon	★
Illinois	★	Pennsylvania	★
Indiana	★	Rhode Island	★
Iowa	★	South Carolina	★
Kansas	★	South Dakota	★
Kentucky	★	Tennessee	★
Louisiana	★	Texas	(a)
Maine	★	Utah	★
Maryland	★	Vermont	★
Massachusetts	★	Virginia	★
Michigan	★	Washington	★
Minnesota	★	West Virginia	★
Mississippi	★	Wisconsin	★
Missouri	★	Wyoming	★
		Puerto Rico	

Key: N/R—No Response
(a) Statutory restrictions against their use

Table 26
INTERMEDIARY FOR PURCHASING INVESTMENT INSTRUMENTS
(Question D14)

State	Commercial Bank	Brokerage Firm	Federal Reserve System	Thrift Institutions	Credit Union	Other
Alabama	★					
Alaska	N/R	N/R	N/R	N/R	N/R	N/R
Arizona	N/R	N/R	N/R	N/R	N/R	N/R
Arkansas	★	★				
California	★	★	★	★		
Colorado	★					
Connecticut	★	★				Direct
Delaware						Trust Department of Commercial Bank
Florida	★	★				
Georgia	★	★				
Hawaii	★					
Idaho	★	★		★		
Illinois	★	★		★		
Indiana	★					
Iowa	★	★				
Kansas	★	★				
Kentucky	★					
Louisiana	★					
Maine	★					
Maryland	★	★				
Massachusetts	★					
Michigan	★	★				
Minnesota	★	★				
Mississippi	★					
Missouri	★	★				
Montana	★	★				
Nebraska	★	★				
Nevada	★					
New Hampshire	★					
New Jersey	★	★		★		Corporations; U.S. Government Agencies
New Mexico	★	★		★		
New York	★	★	★			
North Carolina	★	★		★		
North Dakota	N/R	N/R	N/R	N/R	N/R	N/R
Ohio	★	★	★			
Oklahoma	N/R	N/R	N/R	N/R	N/R	N/R
Oregon	★	★				Commercial Paper Dealers
Pennsylvania	★	★				
Rhode Island	★	★		★	★	
South Carolina	★			★		
South Dakota	★	★				
Tennessee			★			
Texas	★					
Utah	★	★				
Vermont		★				
Virginia	★	★				
Washington	★	★		★		
West Virginia	★	★				
Wisconsin	★	★				Investment Bankers
Wyoming		★				
Puerto Rico						Government Development Bank

Key: N/R — No Response

Table 27
TREASURY BALANCES INVESTED AND ANNUAL RETURNS
(Questions D15, 16, 17, 21)

State	*Interest Earned Last FY (in millions)*	*Rate of Return on Investment Last FY (%)*	*Average of Funds Invested Last FY (%)*	*Average Daily Amount of Funds Invested (in millions)*
Alabama	$80.3	N/R	96	$950
Alaska	N/R	N/R	N/R	N/R
Arizona	N/R	N/R	N/R	N/R
Arkansas	36	10.5	98	300
California	632	12.073	99.9	170
Colorado	69.4	15.3	99.5 (a)	60
Connecticut		13.67	N/A	100
Delaware	(b)		N/A	7-10
Florida	230	14.14	98	150
Georgia	81.3	14.47	99.9	40
Hawaii	59.99	14.4	99.5	(c)
Idaho	14.2 (d) 2.2 (e)	14.69	99.5	91.9
Illinois	145	13.21	(f)	1,565
Indiana	126.6	14	90-95	
Iowa	52	14.198	97.623	N/R
Kansas	68	13.76	98.5	65
Kentucky	132.7	N/R	N/R	N/R
Louisiana	242.8	13.41	100	6.96
Maine	30	14	N/R	6
Maryland	136	14.5	100	82
Massachusetts	72.8	14.6	N/R	50
Michigan	93 (g)	14.568	100	25-30
Minnesota	24.6	14.67	100	100
Mississippi	35 (h) 27 (i)	12-13	97	40-60 (j)
Missouri	60.69	14.2	99.73	200
Montana	42.5	13.57 (k)	N/R	300
Nebraska	37.2	14.26	N/R	30
Nevada	27	14.59	98	179
New Hampshire	2.56	(l)	95	20
New Jersey	90.97	14	100	20
New Mexico	136.39	14.19	97.5	950
New York	121	12	N/R	N/R
North Carolina	.187 (m)	13.10	97	4(n)
North Dakota	N/R	N/R	N/R	N/R
Ohio	146	13.58	96.5	(o)
Oklahoma	N/R	N/R	N/R	N/R
Oregon	215	11-12	100	80
Pennsylvania	N/R	N/R	N/R	125-150
Rhode Island	28.5	14	95	80
South Carolina	51	N/R	N/R	(l)
South Dakota	28.6	13.3	101	N/R
Tennessee	90.4	14.21	97.5	25
Texas	337.96	12.8	99	2,500
Utah	50	14.159	104	45
Vermont	5.5	N/A	N/A	7-10
Virginia	76.8	14.5	100	20
Washington	68	12.26	99	60
West Virginia	85	14	108	40
Wisconsin	124.76	13.015	100 +	20
Wyoming	116.7	10.25	100	50-100
Puerto Rico	20	10-11	10	N/R

Key: N/R—No Response
N/A—Not applicable
(a) Collected funds
(b) Investment portfolio under management since 1/82
(c) Varies depending on tax collection and disbursement requirements
(d) State pool
(e) Local government
(f) Funds uninvested were to allow for uncollected funds in clearing accounts; totalled 40 million daily
(g) Includes retirement funds, short term investments
(h) General fund
(i) Special agency fund
(j) In repos
(k) Time weighted
(l) Varies
(m) Short term investment fund
(n) New money only
(o) Average annual range is $850 million to $1.2 billion excluding special funds

Table 28
STATUTORY RESTRICTIONS ON INVESTMENT INSTRUMENTS
(Question D22)

States	Investments Restricted by Statute	Prohibited Investment Instruments																			
		CDs		Other Time Deposits	U.S. Treasury Securities			Federal Agency Securities							Commercial Paper	Bankers Acceptances		Corporate Stocks	Repurchase Agreements	Reverse Repos	Other
		Negotiable	Non-negotiable		Treasury Bills	Certificates of Indebtedness	U.S. Notes/Bonds	Federal Land Banks	Banks for Co-ops	Federal Intermediate Credit Banks	Federal National Mortgage Association	Federal Home Loan Bank	Other			Domestic	Foreign				
Alabama	Yes	•	•		(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)		•	•	•	•		•	
Alaska	N/R																				
Arizona	N/R																				
Arkansas	Yes														•	•	•	•		•	
California	Yes		•															•			
Colorado	Yes	•				•		•	•	•							•	•			
Connecticut	Yes																	•			
Delaware	No																				
Florida	Yes	•															•	•		•	
Georgia	Yes										•				•	•	•	•			
Hawaii	Yes														•	•	•	•			
Idaho	Yes	•													•	•	•	•		•	(b)
Illinois	Yes															•	•	•			
Indiana	Yes										•				•	•	•	•			
Iowa	Yes	•																•			
Kansas	Yes														•	•	•	•		•	
Kentucky	Yes					•									•	•	•	•			
Louisiana	Yes	•				•		•	•	•	•	•			•	•	•	•		•	
Maine	Yes	•			•										•	•			•		
Maryland	Yes														•	•	•	•			
Massachusetts	Yes																•	•		•	
Michigan	Yes															•	•	•		•	
Minnesota	Yes																•				
Mississippi	Yes				•	•	•	•	•	•	•	•			•	•	•	•		•	•
Missouri	Yes	•	•			•	*(c)	•	•	•	•	•			•	•	•	•		•	
Montana	Yes	•															•	•			
Nebraska	No																				
Nevada	Yes														•			•			
New Hampshire	Yes							•	•	•	•	•			•	•	•			•	•
New Jersey	Yes																•	•			
New Mexico	Yes							•	•	•	•	•	*(d)		•	•	•	•			
New York	Yes							•	•	•	•	•			•	•	•	•			
North Carolina	Yes	•															•	•		•	
North Dakota	N/R																				
Ohio	Yes	•															•	•	•	•	
		(l)															(m)		(l)	(m)	
Oklahoma	N/R																				
Oregon	Yes		•														•				•
			(e)																		(f)
Pennsylvania	Yes																•	•			
Rhode Island	No																				
South Carolina	N/R																				
South Dakota	Yes																	•			
Tennessee	Yes	•				•									•	•	•	•		•	
Texas	Yes		•	•	•			•							•	•		•	•	•	
Utah	Yes														•			•			•
																					(g)
Vermont	Yes																				•
	(h)																				(i)
Virginia	Yes																	•		•	
Washington	Yes	•											*(j)		•			•			
West Virginia	Yes					•												•			•
Wisconsin	Yes																•	•			•
Wyoming	Yes	•													•	•	•	•		•	•
																					(k)
Puerto Rico	No																				

Key: N/R—No Response
(a) Only when banks are unwilling to accept time deposits
(b) Futures
(c) If more than 1 year to mature
(d) Fails and credits
(e) Out of state
(f) Foreign commercial paper
(g) Corporate bonds
(h) Whatever a savings bank can do
(i) Foreign securities
(j) GNMA, FHLMC, SBA
(k) Out of state municipal bonds
(l) Ohio financial institutions only
(m) Currently under review

Table 29-Part I
PORTFOLIO COMPOSITION FYE 1982
(Question E1) (expressed in millions)

States	CDs		Cash	Time Deposits	Demand Deposits	U.S. Treasury Securities			Federal Agency Securities					
	Negotiable	Non-Negotiable				Treasury Bills	Certificates of Indebtedness	U.S. Notes/ Bonds	Federal Land Bank	Banks for Co-ops	Federal Intermediate Credit Banks	Federal National Mortgage Association	Federal Home Loan Bank Board	Other
Alabama	N/R													
Alaska	N/R													
Arizona	N/R													
Arkansas	105		1.3	111	23									
California	1,120			1,145	13	307		384	15		9	397	88	713
Colorado		254.1			53.4			9.99						
Connecticut	N/R													
Delaware	65	5		16		5								
Florida		1,200	.105		62.7	266.5						16.7	50.97	2(a)
Georgia		209.3			.032			25					9.6	
Hawaii		707.6			14.7									
Idaho		12.3	.053		4.6(b)	4.4		.700	1.9			14.6	3	6.9(c)
Illinois		58.2	.049	858.4	5									
Indiana		280.3	.199		24.9	.365		12.3						
Iowa		5.25	6.639		2.067	11					20.65	3.25		.500
Kansas		353.751	.027	49.625	4.834									
Kentucky	336.3					172.8		142.0						
Louisiana		1,600												
Maine	N/R													
Maryland														
Massachusetts		174.7		40.1	31.2			1.7						
Michigan					59(f)	26		5						
Minnesota														
Mississippi	380													
Missouri				190.3		36.4		.006						
Montana								15.7						
Nebraska			.0007	119.7				5			10			
Nevada	N/R													
New Hampshire		9.3		.111	(.470)									
New Jersey	15.6		19.2			30		.800						
New Mexico	465.3													
New York	136.1				(j)	602.8		163.6						
North Carolina		231.8			59.8	48.7		638.5	46			75.5	93.8	
North Dakota	N/R													
Ohio		60	.025		1	100		250				75	100	300(a)
Oklahoma	N/R													
Oregon		90				106.3		113.3					225(r)	117.5
Pennsylvania		104		33.3	3.6	405								8(a)
Rhode Island														
South Carolina	N/R													
South Dakota	30.1					50.4		44.1				10		
Tennessee		558.4			15.9									
Texas	3,200													
Utah	18	135.5			(6.7)			.003				1	1.1	4
Vermont	N/R													
Virginia		52.1				95		10	18(m)				107	
Washington		68.1			5.5			36.0	43.1(m)			13.9	21.8	1
West Virginia		149.4				228.6		6				5	5	
Wisconsin	152		(80.4)			55		272	226(n)					
Wyoming				95.485	5.336			26.254	479.782(n)					2.472(o)
Puerto Rico														

Table 29-Part II
PORTFOLIO COMPOSITION FYE 1982
(Question E1) (expressed in millions)

States	Commercial Paper	Bankers Acceptances		Repurchase Agreements	Reverse Repurchase Agreements	Other	Total
		Domestic	Foreign				
Alabama							
Alaska							
Arizona							
Arkansas				83			323.3
California	976		217	827	(1371)	282	5122
Colorado	74.7	24.7		21.59			438.48
Connecticut							
Delaware	81.5						172.5
Florida	221.8	261.4		231.9			2314.075
Georgia				365			608.932
Hawaii				9			731.3
Idaho				92.3			140.753
Illinois				656.1		38.4	1577.787
Indiana				619.9		102.1(e)	1040
Iowa	191.3			58.88		68.42	367.96
Kansas				62.5			470.74
Kentucky				455.5			1106.6
Louisiana				300			1900
Maine							
Maryland							1160.2(p)
Massachusetts	109.7			143.9			501.3
Michigan	328					154(g)	572(h,p)
Minnesota	27%	2%		71%			100%
Mississippi				72			452.
Missouri				225		.581	452.287
Montana		68.5		65.1		136.4	285.7
Nebraska	15			52.4			202.1007
Nevada							
New Hampshire				7.5			16.441
New Jersey	2					386.5(i)	454.1
New Mexico							465.3
New York							902.5
North Carolina	34.4	58		221.5			1508(p)
North Dakota							
Ohio				125			1011.025(p)
Oklahoma							
Oregon	443.8	38.3		45	(4.2)	3100(s)	4275(p)
Pennsylvania	973.2			779.5		20(k)	2326.6
Rhode Island							96.275(p)
South Carolina							
South Dakota	8.1	34		5.6			182.3
Tennessee				71.5			645.8
Texas							3200
Utah				40.1		2.412(l)	195.415
Vermont							
Virginia				301.9			584
Washington		401.8	29.8	142.3	(42.6)		720.7
West Virginia				1		15	410
Wisconsin	219.4	145.6			215.5		1205.1
Wyoming				174.339		238.716(q)	1022.384
Puerto Rico							174.7(p)

Key: N/R—No Response

(a) Federal Farm Credit Banks
(b) Cash, Demand Deposit, and Compensating Balance figures include all funds, including Retirement. Other figures are Idle Cash Investments only, not including agency funds invested separately by Treasurer or others.
(c) Federal Farm Credit Banks $1 million; GNMA $3.4 million; Small Business Administration $2.5 million
(d) Metropolitan Fair & Exposition Bonds ($19.3 million); Southern Illinois University Bonds ($665,000); IDB-Chrysler ($18.5 million)
(e) School Corporation Bonds, School Corporation Loans, and Chrysler Loan
(f) Includes deposits in process of collection
(g) Mandated by statute—Chrysler, mortgage and municipal bonds
(h) Excludes State Authorities (invested separately)
(i) Pooled cash management funds: CD-15%; Treasury bills-37%; Commercial Paper-40%; U.S. Agencies-8%
(j) Managed overdraft
(k) Floating rate commercial paper notes
(l) Corporate bonds/notes ($2.4 million); Municipal bonds $12,000
(m) Federal Land Banks, Banks for Co-ops, Federal Intermediate Credit Banks
(n) Total for all Federal Agency Securities
(o) SBA Guaranteed Loans
(p) Not possible to exclude retirement fund balances
(q) Corporate bonds, Farm & Irrigation Loans, Joint Powers Loans, Loans from Permanent Mineral Trust, Community College Bonds, State Building Bonds, Misc.
(r) Also includes GNMA
(s) Industrial, utilities, corporate, mortgages, real estate

Table 30
AUTHORIZED PENSION FUND INVESTMENTS
(If Responsibility of State Treasurer)
(Question D18)

State	*Investments*
Connecticut	No more than half may be in coupon stocks
Georgia	Anything a domestic life insurance compay can purchase
Indiana	Repurchase agreements
Iowa	Anything authorized for life insurance companies/Prudent man
Massachusetts	By statute
Michigan	Public Employee Retirement Systems funds, real estate, mortgage, bond, stock, life insurance company; others
Minnesota	Government obligations, savings accounts, corporate obligations, bankers acceptances, CDs, commercial paper, corporate stocks, mortgage certificates, repurchase agreements
New Jersey	Any investments as established by state law that are legal for trust funds
North Carolina	Obligations of U.S. and N.C., savings certificates, CS's, commercial paper, bills of exchange or time drafts, preferred or common stocks, mortgages
Oregon	Prudent person rule
Rhode Island	CS's, commercial paper, treasury notes and bonds, corporate bonds, common stocks, equities, mortgages and real estate, prudent person rule
South Carolina	Governments, corporations rated, "AA" or better by two services
Tennessee	Investments must be approved by the Board of Trustees and shall further be subject to terms, conditions, limitations and restrictions imposed by the laws of the state upon Domestic Life Insurance Companies in the making and disposing of their investments, provided that the total sum invested in common and preferred stocks cannot exceed 50% of the total Retirement System funds.
West Virginia	Bonds, real estate trusts, commercial paper, repurchase agreements, CDs
Puerto Rico	Trust funds, portfolios

Table 31
STATE ASSISTANCE TO LOCAL GOVERNMENTS
(Question D19)

State	*Operate Investment Pool*	*Assist Individual Local Governments*	*State*	*Operate Investment Pool*	*Assist Individual Local Governments*
Alabama			**Montana**	★	
Alaska	N/R	N/R	**Nebraska**		
Arizona	N/R	N/R	**Nevada**	★	
Arkansas			**New Hampshire**		
California	★		**New Jersey**	★	
Colorado		★	**New Mexico**		★
Connecticut	★		**New York**		
Delaware			**North Carolina**	★	
Florida			**North Dakota**	N/R	N/R
Georgia	★		**Ohio**		★
Hawaii			**Oklahoma**	N/R	N/R
Idaho	★	★	**Oregon**	★	★
Illinois	★		**Pennsylvania**		
Indiana		★	**Rhode Island**	★	★
Iowa		★	**South Carolina**		★
Kansas		★	**South Dakota**		
Kentucky			**Tennessee**	★	★
Louisiana			**Texas**		
Maine		★	**Utah**	★	★
Maryland	★	★	**Vermont**		
Massachusetts	★		**Virginia**	★	
Michigan		★	**Washington**		★
Minnesota			**West Virginia**	★	
Mississippi			**Wisconsin**	★	
Missouri			**Wyoming**		
			Puerto Rico		

Key: N/R—No Response

5. Cash Management

This section includes information on state studies of cash management practices, cash management services utilized by the states, and banking relationships and services.

Cash Management Reviews

The importance of effective cash management practices is recognized by the states and this fact is emphasized by the significant number of states that have recently reviewed their cash management practices. Eighteen states last reviewed or updated all or some segment of their cash management practices in 1982, and 20 additional states responded that they continuously are reviewing or updating all or some segment of their cash management practices. Table 32 lists the cash management practices considered and includes information on when the practices were reviewed or updated, who conducted the review and who implemented the changes. Of the reviews conducted, 32 states exclusively used state employees to conduct the reviews and six states exclusively used an outside firm. Other state reviews were a combination of state employees and an outside firm. Changes were implemented either exclusively or with the assistance of state employees in all states, except for cash projection changes in Arkansas.

Cash Management Services

Various cash management services are utilized by the states including: lockbox services, wire transfers, zero balance accounts, account reconcilement services and service bureaus. Table 33 provides information on the services used by each state and indicates whether the service is provided by a bank(s) or accomplished in-house. Twenty-eight states use some type of collection service, 41 states use the Federal Reserve wire transfer system, 37 states use the bank wire transfer system, and 28 states use depository transfer checks for funds mobilization. Disbursement techniques used include: zero balance accounts (20 states), bank drafts (11 states), and a controlled disbursement program (17 states). Cash management information services are used by 35 states; account reconcilement services are used by 33 states; and data transmission services are used by 16 states. Eighteen states use a business service or service bureau and 20 states use the automated clearing house facilities.

Float within the states' collection and disbursement processes is analyzed (either internally or through consultant services) by 36 states, and 15 states reported that they have an automated system for forecasting cash flow.

Bank Selection

The bank selection policy varies in the states, and administrative practice governs the policy in 17 states and statutes govern the policy in 13 other states. The remaining responding states indicated the policy is governed by a combination of the constitution, statutes or administrative practice, as shown in Table 35. The State Treasurer is responsible for selecting banks for demand deposits in 32 states.

Most states have demand deposits, however, they are generally low balances since they are non-interest bearing. The demand deposits are used for immediate cash needs and several states reported that demand deposits are used to compensate the bank(s) for services. The specific guidelines for each state for determining the amount of Treasury funds in demand deposits is included in Table 35.

The number of banks used for demand deposits ranges from one, to all of the banks in the state in Montana. Table 36 includes information on the distribution of demand deposits, and indicates the methods of selecting banks for demand deposits range from competitive bid to convenience for the depositing agencies. Twenty-five of the responding states provide compensating balances to the banks that are state depositories. The methods used to determine the compensation varies among the states as shown in Table 36.

Collateralization

Table 37 indicates that 36 states collateralize state funds in deposits in state banks and thrift institutions above the federal insurance level. Twenty-three states require 100 percent or more collateralization of the demand deposits and nine states require no collateral. Acceptable collateral for each state is presented in Table 37 and in most states direct obligations of the U.S. Government, general obligations of the state, and general obligations of counties or municipalities of the state are acceptable collateral.

Table 32
CASH MANAGEMENT REVIEWS
(Questions F1, 2, 3)

State	When Reviewed or Updated				Who Conducted Review (SE-State Employee; OF-Outside Firm)				Who Implemented Changes (SE-State Employee; OF-Outside Firm)			
	Cash Projections	Cash Mobilization	Banking Relations	Investment Practices	Cash Projections	Cash Mobilization	Banking Relations	Investment Practices	Cash Projections	Cash Mobilization	Banking Relations	Investment Practices
Alabama	1982			1982	SE (a)			SE(b)				
Alaska	N/R				N/R				N/R			
Arizona	N/R				N/R				N/R			
Arkansas	1980	1979		1978	OF	SE(c)			OF	(d)		SE(e)
California	Monthly	Continuous	Annually	Continuous	(f)	(f)	(f)	(f)	SE	SE	SE	SE
Colorado	1982	1982	1982	1982	SE	SE	SE	SE	SE	SE	SE	SE
Connecticut	1982	Daily	1981	Monthly	SE	SE	SE	SE	SE	SE	SE	SE
Delaware		1981	1981	1981		OF	OF	OF		SE/OF	SE/OF	SE/OF
Florida	1982	In Progress	1981	1981	SE	SE	SE	SE	SE	SE	SE	SE
Georgia	1982	1982	1982	1982	SE	OF	OF	SE	SE			SE
Hawaii	1977	1977	1977	1977	OF	OF	OF	OF	SE	SE	SE	SE
Idaho	1982	1982	Continuous	Continuous	SE/OF	SE/OF	SE(e)	SE(e)			SE(e)	SE(e)
Illinois	1982			1982	SE			SE	SE			SE
Indiana	Continuous	Continuous	Continuous	Continuous	SE	SE	SE	SE	SE	SE	SE	SE
Iowa	Continuous	Continuous	Continuous	Continuous	SE	SE	SE	SE	SE	SE	SE	SE
Kansas				1982				OF				(g)
Kentucky	N/R				N/R				N/R			
Louisiana		1974	1969	1969		SE	SE	SE		SE	SE	SE
Maine	1982	1982	1982	1982	SE	SE	SE	SE	N/R			
Maryland	Periodic	Periodic	Periodic	Periodic	SE	SE	SE	SE	SE	SE	SE	SE
Massachusetts	Continuous	Continuous	Continuous	Continuous	SE	SE	SE	SE	SE	SE	SE	SE
Michigan	Daily	Continuous	Continuous	Continuous	SE	SE	SE	SE	SE	SE	SE	SE
Minnesota	Monthly	Annually	Annually	Quarterly	SE	SE	SE	(g)				
Mississippi	1982	In Process		1981; In Process	SE			SE(e)				(h)
Missouri	Continuous	Continuous	1982	1982	SE	SE	SE	(i)	SE	SE	SE	SE
Montana	In Process	In Process	In Process	In Process	SE	SE	SE					
Nebraska	Monthly	Daily	Daily	Periodic	SE	SE (e)	SE (e)	(j)	SE	SE(e)	SE(e)	(j)
Nevada				Daily				SE				SE
New Hampshire	1982	1982	1982	1982	SE	SE	SE	SE				
New Jersey	Continuous	Continuous	Continuous	Continuous	SE	SE	SE	SE	SE	SE	SE	SE
New Mexico	1981	1981	Continuous	Continuous	OF	OF	OF	SE		SE	SE	SE
New York	1982	1982	1982	1982	SE/OF	SE/OF	SE/OF	SE/OF	SE	SE	SE	SE
North Carolina		6/80-7/82	1982	Continuous		SE (e)	SE (e)	SE(e)		SE(e)	SE(e)	SE(e)
North Dakota	N/R				N/R				N/R			
Ohio	Annually (m)	N/A	1981	Monthly	SE (e)(q)(r)	SE(q)	SE(e)	SE(e)	SE(o)(p)	N/A	SE(p)	SE(p)
Oklahoma	N/R				N/R				N/R			
Oregon	1980	1980	1980	1980	(s)	(s)	(s)	(s)	(s)	(s)	(s)	(s)
Pennsylvania	1982	1982	1982	1982	SE	OF	SE	SE				SE
Rhode Island	Daily	Daily	Daily	Daily	SE	SE(e)	SE(e)	(k)	SE	SE(e)	SE(e)	(k)
South Carolina	Continuous	Continuous	Continuous	Continuous	SE(e)	SE(e)	SE(e)	SE(e)	SE(e)	SE(e)	SE(e)	SE(e)
South Dakota	1982	1982	1982	1982	OF	OF	OF	OF				
Tennessee	Continuous	Continuous	Continuous	Continuous	SE	SE	SE	SE	SE	SE	SE	SE
Texas	N/R				N/R				N/R			
Utah	1982	1982	1982	1982	OF	OF	OF	OF	(l)	(l)	(l)	(l)
Vermont	1982	1982	1982	1982	OF	OF	OF	OF	SE(e)	SE(e)	SE(e)	SE(e)
Virginia	1982				SE	SE	SE	SE	SE	SE	SE	SE
Washington	Monthly	Monthly	1982	Quarterly	SE	SE	SE	SE	SE	SE	SE	SE
West Virginia		1978	1978	1978		SE(e)	SE(e)	SE(e)		SE(e)	SE(e)	SE(e)
Wisconsin	1982	1981-82	1981-82	1982	SE	SE	SE	SE	SE	SE	SE	SE
Wyoming	Continuous	Continuous	Continuous	Continuous	SE	SE	SE	SE	SE	SE	SE	SE
Puerto Rico	1982				SE							

Key: N/R—No Response
N/A—Not Applicable
(a) Legislative Committee
(b) Joint Investment Committee
(c) State Task Force
(d) Cash Management Task Force
(e) State Treasurer
(f) Pooled Money Investment Board
(g) Board
(h) State Treasurer & Legislature
(i) Advisory Committee
(j) Council
(k) State Treasurer & Committee
(l) Cash Management Committee
(m) Central Accounting Management System in progress; will be instituted 7/1/83.
(n) Cash flow analysis—State Treasurer
(o) In progress
(p) Director of Investments
(q) Office of Budget and Management
(r) In general, Office of Budget and Management, and Arthur Young
(s) Statewide cash management project conducted in 1980 by S.E. Pri-sector volunteers, an outside firm. Changes were implemented as result of 1980 project.

Table 33
UTILIZATION OF CASH MANAGEMENT SERVICES
(Question F4)

State	Collection Services	Federal Reserve Wire Transfer	Bank Wire Transfer	Depository Transfer Checks	Zero Balance Accounts	Bank Drafts	Controlled Disbursement Programs	Information Services	Account Reconcilement Services	Data Transmission Services	Business Services	Automated Clearinghouse
Alabama	B	B	B									
Alaska	N/R											
Arizona	N/R											
Arkansas		B	B				H					
California	HB	B	B	H			H	HB	H	HB	H	
Colorado	HB	HB	HB	HB	H	H		H	B	H		HB
Connecticut	HB	B	B	H			H	B	HB	HB	H	
Delaware	H	B			B		H	B	B		H	
Florida	B	H	H	H				H				
Georgia		B						H	B			
Hawaii		B	B	B		B		H	HB		H	
Idaho		HB	HB		H			H	H		H	
Illinois	B	B	B	B				B	H			
Indiana	B											
Iowa	B	B	B	B	B	B		H	H		H	
Kansas		H				H						
Kentucky	H	B	B		B							
Louisiana			B		B		B					
Maine	H	B	B	B	B		B	H	H	B		B
Maryland	HB	B	B	B	B			HB	B			B
Massachusetts	B	B	B	B	B			B	B	B		B
Michigan	HB	HB	B					H	H	H	H	B
Minnesota	HB	HB	HB	HB			H	B	H	B	H	
Mississippi		B										
Missouri		B	B	B				HB	B	B		B
Montana		H	H						B			
Nebraska	B	B	B	B	B	B	H	HB	HB		H	B
Nevada	H	B	B	H		B	H	H	B	B	H	B
New Hampshire		B	B	B				H	B			B
New Jersey	HB	B	B	H	B	B		B	HB		B	B
New Mexico	H	H	H	H	H			B				B
New York	B	B	B	HB	H	B	H	HB	HB	HB	H	B
North Carolina		B	B	H		H		H	H			B
North Dakota	N/R											
Ohio	H	B	B	H(a)			HB	B	H			B
Oklahoma	N/R											
Oregon	H	B	B	H				B				
Pennsylvania	HB		H	B	B		B	B	B	B	H	B
Rhode Island	H	B	B	H				HB	HB	HB	H	
South Carolina	N/R											
South Dakota	N/R											
Tennessee		H			B		B	B	H			B
Texas	N/R											
Utah	In Process	B	B	B	B	B	In Process	B	H			B
Vermont		B	HB									
Virginia	B	B	B	B		B		B	B			
Washington	B	H	H	B	H		H	H	H	H	H	H
West Virginia		HB	HB	H	HB			H	HB	H		B
Wisconsin	HB	B	B		B			HB	HB	HB	HB	B
Wyoming		H	H	B	H		H	H	H	H	H	
Puerto Rico		B					H	HB	HB		H	

Key: N/R—No Response
H—In-House
B—Provided by Bank(s)
(a) Warrants drawn on state checking

Table 34
CASH FLOW FORECASTING
(Questions F5, 6)

State	Float Analyzed in Collection & Disbursement Processes	Automated System For Cash Flow Forecasting	System Development	Name of System If Purchased
Alabama	•			
Alaska	N/R			
Arizona	N/R			
Arkansas				
California	•			
Colorado	•			
Connecticut	•			
Delaware				
Florida	•	•	Purchased	Money Max
Georgia	•	•	Purchased	Money Max
Hawaii	•			
Idaho	•			
Illinois	•	•	In-House	
Indiana		•	Purchased	Money Max
Iowa	•			
Kansas	•			
Kentucky			In Process, In-House	
Louisiana				
Maine	•			
Maryland				
Massachusetts	•	•	In-House	
Michigan	•	•	Leased	Money Max
Minnesota	•			
Mississippi	•	•	In-House	
Missouri	•	•	Purchased	Money Max
Montana	•	•	Purchased	Money Max
Nebraska	•	•	Purchased	Chase Econometrics DRI
Nevada	•			
New Hampshire				
New Jersey	•			
New Mexico	•			
New York	•			
North Carolina				
North Dakota	N/R			
Ohio	•			
Oklahoma	N/R			
Oregon	•	•	In-House	
Pennsylvania	•			
Rhode Island	•	•	In-House	
South Carolina	•			
South Dakota				
Tennessee	•			
Texas	N/R			
Utah	•	In Process	Purchased	Money Max
Vermont	•			
Virginia				
Washington	•	•	Purchased	Money Max
West Virginia	•			
Wisconsin	• (a)	•	In-House	
Wyoming	•			
Puerto Rico	•			

Key: N/R—No Response
(a) Disbursements

Table 35
BANK SELECTION AND GUIDELINES FOR ALLOCATING DEMAND DEPOSITS
(Survey Page 15, Questions 4, 5; Page 23)

State	Bank Selection Policy	Responsible for Selecting Banks for Demand Deposits	Guidelines for Determining Amount of Treasury Funds in Demand Deposits	Constitutional, Statutory or Administrative
Alabama	S, A	State Treasurer - E	Only sufficient for minimum compensatory balances for services rendered	Administrative
Alaska	N/R	N/R	N/R	N/R
Arizona	N/R	N/R	N/R	N/R
Arkansas	C, S	State Treasurer - E / Board of Finance	Demand Deposits—$2,000,000 + Trust Funds	Statutory
California	A	State Treasurer - E	Pooled Money Investment Board negotiates with banks to determine level of Demand Deposits	Administrative
Colorado	T	State Treasurer - E	Use one bank, 17-20 sub-accounts	
Connecticut	A	State Treasurer-E	Sufficient to compensate banks for services; continual account analysis is practical	
Delaware	S	Cash Management Policy Board - G	Conpensating bank balances	
Florida	(a)	State Treasurer - E	No guidelines	
Georgia	(b)	State Depository Board-E, G	No guidelines	
Hawaii	S, A	State Director of Finance-G	The amount deemed necessary to meet immediate requirements of the State and to provide a compensatory balance for services rendered	
Idaho	S	S	No guidelines	
Illinois	A	State Treasurer - E	Balances in Demand Deposits only to be used as compensation for banks	
Indiana	T	State Treasurer - E	No guidelines	
Iowa	S, A	State Treasurer- E	Daily cash settlement needs plus compensating balance	
Kansas	S, A	Money Investment Board - G, E	Statutes sets amount to be placed	Statutory
Kentucky	S	State Treasurer - E	No guidelines	
Louisiana	A	State Treasurer - E	Amount necessary for current daily requirements	Administrative
Maine	S, A	State Treasurer - L	N/R	
Maryland	S	State Treasurer - L	Operate on zero balance	
Massachusetts	(c)	State Treasurer - E	Compensating balances as determined by bid process	
Michigan	A	State Treasurer - G	Sufficient to compensate banks for service	
Minnesota	A	Commissioner, Department of Finance - G	No guidelines	
Mississippi	S	State Auditor - E	No guidelines	
Missouri	C, S, A	State Treasurer - E	Compensating balances	
Montana	S, A	Administrator, Treasury Division - CS	No guidelines	
Nebraska	A	State Treasurer - E	No guidelines	
Nevada	S	State Treasurer - E	No guidelines	
New Hampshire	A	State Treasurer - E	Amount of charges against account plus a compensating balance	
New Jersey	S, A	State Treasurer	Only that balance required to compensate bank for services	Administrative
New Mexico	S	Secretary, Department of Finance & Administration-G	Maintains balance with fiscal agent of $2.615 million	
New York	S	Comptroller - E	Compensating balance	
North Carolina	C, S	State Treasurer - E	Compensating balance	
North Dakota	N/R	N/R	N/R	N/R
Ohio	A	Depository Board - E	Sufficient to compensate banks for service; continual account analysis is practical; compensating balance	
Oklahoma	N/R	N/R	N/R	N/R
Oregon	(d)	State Treasurer - E	No one bank may hold over 35 percent of Demand Deposits	
Pennsylvania	S	Board of Finance & Revenue - E, G	The minimum amount required to pay for bank services	Administrative
Rhode Island	A	General Treasurer - E	No guidelines	
South Carolina	A	State Treasurer - E	No guidelines	
South Dakota	A	State Treasurer - E	No guidelines	
Tennessee	S	Treasurer (Under law)	Funds are drawn from CDs as soon after collection as possible	Administrative
Texas	S	Depository Board	N/R	
Utah	A	State Treasurer - E	No guidelines; balances are maintained as near zero as possible, after deduction of compensating balances	
Vermont	T	State Treasurer - E	Amount of charges against the state account determines the amount of deposits	
Virginia	A	State Treasurer - G	N/R	
Washington	A	State Treasurer - E	Administrative formula used to determine compensating balance in concentration bank account. Sixty-six banks serve as a collection system for locally generated state funds; such funds are transmitted to State Treasury two or three times weekly	Administrative

Table 35
BANK SELECTION AND GUIDELINES FOR ALLOCATING DEMAND DEPOSTIS
(Survey Page 15, Questions 4, 5; Page 23)

State	*Bank Selection Policy*	*Responsible for Selecting Banks for Demand Deposits*	*Guidelines for Determining Amount of Treasury Funds in Demand Deposits*	*Constitutional, Statutory or Administrative*
West Virginia	S	Board of Investment - E	Only those funds needed for daily purposes	
Wisconsin	S	Depository Selection Board - E, G	Winning bank proposal by bidding determines the amount	
Wyoming	A	State Treasurer - E	No guidelines	
Puerto Rico	A	State Treasurer	No guidelines	

N/R—No Response
S—Statute
C—Constitution
A—Administrative Practice
E—Elected
G—Appointed by Governor
L—Appointed by Legislature
CS—Civil Service
T—Treasurer
(a) Not limited
(b) State Depository Board
(c) Bid
(d) Agencies have choice of bank deposit location based on convenience

Table 36
DISTRIBUTION OF DEMAND DEPOSITS
(Survey Page 15, Question 6; Page 24)

State	Number of Banks Used For DDs	Number of Banks That are Active Depositories	Number of Banks in the State	Bank Selection Method For Demand Deposits	Compensation Given	Method Used to Determine Compensation
Alabama	295	295	297	Banks make application to State Depository	Collected balances	Based on analysis of the account
Alaska	N/R	N/R	N/R	N/R	N/R	N/R
Arizona	N/R	N/R	N/R	N/R	N/R	N/R
Arkansas	14	6	260	Location and size	Compensating balance	Warrant clearings
California	8	8	170	Ability to generate sufficient state business; to provide statewide coverage; maintain a Sacramento office	Compensating balance; demand balances as compensation for services and deposit float	Annual negotiation with depository banks
Colorado	1	1	310	Competitive bid	Pay by check for services - zero balance	Competive bid
Connecticut	30	5	65	Competive bid for disbursing accounts -convenience and various economic and service criteria for others	Compensating balance	
Delaware	1	1	11	Competive bid	Investment opportunity on $21 million daily	Formula
Florida	4	4	430	Competive bid	Compensating balance	
Georgia	6	5	430	Agency utililzation and correspondent program	Compensating balance	Account analysis
Hawaii	8	8	10	Competiveness for interest rates; depository's size; ability to fully collateralize state deposits	Demand Deposit balance	
Idaho	138(a)	5 active 133 clearing	27 banks 250 branches	Law requires that all banks requesting deposits receive them in proportion to their capital and surplus, with amount covered by federal insurance excluded from apportionment by this formula	Compensating balance	Negotiated
Illinois	2	2	1187	Size		
Indiana	13	5	Over 400	Treasurer's discretion	DDA balance	Treasurer's discretion
Iowa	6	6	656	All Des Moines banks that are Federal Reserve members	Compensating balance	Income credit based on Federal Reserve discount rate vs charges for services performed
Kansas	1	1	621	Competive bid	Compensating balance	
Kentucky	1	1	350	Negotiation	Compensating balance	Bid/contract
Louisiana	2	1	288	Banks must be approved fiscal agents of state in order to have state funds; approval is secured from the Interim Emergency Board	Daily balance	
Maine	45	2		Competive bid	Security to the bank for holding DD by not transferring them out immediately	
Maryland	1	1	113	Competive bid	Fee for service	Bid
Massachusetts	6	6	200 +	Competive bid	Compensating balance	Quarterly analysis
Michigan	246	246	370	Convenience for the depositing agencies	Compensating balance	Cost of service divided by estimated earnings rate-compensating balance
Minnesota	233	233	740	Competive bid	Compensating balance	
Mississippi		204 - including branches	177	Selection by state auditor's approval of agency request; state treasurer rotates clearing account among capital city banks	None	
Missouri	5	2	679	Based on proposals	Compensating balance	Competitive proposal and federal charges

Table 36
DISTRIBUTION OF DEMAND DEPOSITS
(Survey Page 15, Question 6; Page 24)

State	Number of Banks Used For DDs	Number of Banks That are Active Depositories	Number of Banks in the State	Bank Selection Method For Demand Deposits	Compensation Given	Method Used to Determine Compensation
Montana	165	140	165	Convience to depositors	Compensating balance	Average Federal Funds rate and estimates of cost of service
Nebraska	38	6	350	Agency needs	Compensating balance	Formula based
Nevada	8	2		Competive bid/level of services available	Minimum balance maintained	
New Hampshire	18	14	74	Treasurer evokes determination	Use of a float plus a sufficient balance	Periodic review of past activity
New Jersey	55	15	200	Statewide competitive bid, or Treasurer selection based on location, price, capability	Compensating balance and/or fees	Monthly analysis that considers total value of services provided
New Mexico				Request		
New York						
North Carolina		11	91	Depository bank is closest bank with an account; major banks clear with State Treasurer	Compensating balance	Formula established by State Treasurer
North Dakota	N/R	N/R	N/R	N/R	N/R	N/R
Ohio	5	5	368	Bid basis - selected by Board of Deposits	3- and 6 month Treasury bill rate	Determined by using
Oklahoma	N/R	N/R	N/R	N/R	N/R	N/R
Oregon	20	20	90	Convience of depositing agencies	Compensating balance	Cost of service
Pennsylvania	28	28	N/A	Determined by State Fiscal Code and Board of Finance and Revenue and State Treasurer	Soft dollar balances at certain earnings credit	Monthly services and earnings credit
Rhode Island	10	6	20	Assets - size and credit	Certain amount left in demand account uninvested	Review of activity for previous month with banks holding demand accounts
South Carolina						
South Dakota			50			
Tennessee	400	400	880	All banks are authorized as depositories contingent on meeting collateral requirements	Compensating balance	Analysis of value of services rendered by bank
Texas			1450	All state banks that apply and meet criteria	N/A - DD balance	
Utah	5	70	109	Bid process for principal accounts; convenience of depositor for depository banks	Compensating balance in the form of float	Try to zero out account daily; some deposit accounts have one or more day's deposit on which drafts have not cleared
Vermont	7	4	23	Divided among largest State banks with Montpelier offices	Balance to invest	
Virginia	N/A					
Washington	66	1	100	Depository's location relative to local agency collecting state funds	Compensating balance	(b)
West Virginia	210	210	212	All banks used	None	
Wisconsin	1	1	625	Competitive bid - only one bank selected	Compensating balance	Cost bid for each item of service (c)
Wyoming	1	1	111	Bid basis	Compensating balance	Negotiations
Puerto Rico	11	11	15	State Treasurer	Compensating balance	

(a)* Including balance clearing accounts

(b) $$CB = \frac{SC}{e}(1 + r) + f \cdot \frac{TF}{DM} + ADJ$$

where:
CB—compensating balance
SC—service charges
e—earnings rate (26-week Treasury Bill tax coupon equivalent rate)
r—reserve requirement
f—float factor
TF—Treasurer's deposits subject to float
DM—number of days in month
ADJ—adjustment factor

(c) Total cost of service for the month is equated against value of average daily account balance. Value of account balance is computed by average daily balance times 110 percent of 90-day Treasury Bill rate. Monthly excess or deficit carried forward to next month.

Table 37
COLLATERALIZATION OF STATE FUNDS
(Questions G9-12)

State	Collateral Above Federal Insurance Level	Required % of Demand Deposit Collateralized	Pool of Collateral For Local Government	Acceptable Collateral: Direct Obligation of U.S. Government	Acceptable Collateral: Generals Obligation of State	Acceptable Collateral: General Obligation of Local Government	Other
Alabama	★	100		★	★	★	
Alaska	N/R						
Arizona	N/R						
Arkansas							
California	★	All over $100,000		★	★	★	Registered warrants; Federal agency securities; Real Estate notes; Bonds issued by Govt. of Israel; Development Banks: Asia, Puerto Rico, Interamerican; International Bank for Reconstruction & Development
Colorado	★	100		★		★	Federal Agencies, SBA Notes, Real Estate Mortgages
Connecticut	★ (Via Insurance Fund)						
Delaware		None					
Florida	★	50	★	★	★	★	Agencies
Georgia	★	None(a)		★	★	★	Federal Agencies
Hawaii	★	100		★	★	★	GNMA's
Idaho		None					
Illinois	★	None		★	★	★	
Indiana		None		★			
Iowa	(c)						
Kansas	★	70 to 100		★		★	Some revenue bonds, fully guaranteed federal agencies
Kentucky	★	100		★	★	★ (some)	
Louisiana	★	All Over $100,000		★	★	★	
Maine	★	(d)		★	★	★	
Maryland	★	100		★	★	★	FDIC, FSLIC, MSLIC
Massachusetts		5		★	★	★	
Michigan	★	100		★	★	★	
Minnesota	★	110		★	★	★	
Mississippi	★	75		★	★	★	
Missouri	★	100		★	★	★	Various (by statute)
Montana	★	All Over $200,000		★	★	★	
Nebraska	★	110		★	★	★	
Nevada	★	100		★			First Trust Deeds by S & L's
New Hampshire				★	★	(e)	
New Jersey	★	120% Over $100,000		★	★	★	Agencies of U.S. Government and State Authorities
New Mexico	★	50		★	★	★	Residential Mortgages
New York	★	100		★	★		
North Carolina	★	100% Over deposit insurance	★	★	★	★	Various Others
North Dakota	N/R						
Ohio	★	100 minus Federal Insurance		★	★	★	Federal government agencies, Bonds of other States, obligations guaranteed as to principal
Oklahoma	N/R						
Oregon	★	100% to collateralize = to 25%	★	★	★	★	
Pennsylvania	★	120		★	★	★	
Rhode Island		None		★ (b)			
South Carolina	★	100		★	★	★	
South Dakota	★	5	★	★	★	★	
Tennessee	★	110		★	★	★	
Texas	★	100		★	★	★	
Utah		None					
Vermont		None					
Virginia	★	50 Over $100,000	★	★	★	★	
Washington	★	10	★	★	★	★	Other states' general obligations
West Virginia	★	111% Over $100,000		★	★	★	GNMA, FLB, FHLB, FICB, TVA, FHA, FNMA
Wisconsin		None					
Wyoming	★	100		★	★	★	IDB's, WCDA Bonds, Pass-thru Certificate
Puerto Rico	★	100		★	★	★	Municipal Bonds, FHA, VA Mortgage, Student Loans

(a) 110% of par for CDs; none for demand deposits
(b) As back-up for repurchase agreements
(c) Public funds are self-insured by State Sinking Fund
(d) Twenty-five percent excess capital surplus and undivided profits
(e) For local deposits deposited in banks outside of N.H.; No collateral for deposits in N.H. banks

6. Other Activities

Warrants are used by 26 states and 15 states issue state checks instead of warrants, with 6 states issuing both checks and warrants. Electronic fund transfers are utilized by 25 states and the annual volume varies from $1 million to $30 billion. Table 38 contains this information as well as the frequency of reconciling state bank accounts.

Table 39 indicates the method of payment of bond coupons for each state. Thirty-seven states pay bond coupons through a fiscal agent and 12 of these states also indicated they pay bond coupons directly. A total of 16 states pay bond coupons directly. Sixteen of the responding states select the fiscal agent by competitive bids.

Table 38
CHECKS AND WARRANTS
(Questions G 3-8)

State	Warrants Used	Warrants Issuer	Checks Used	Checks Issuer	Annual Volume of Checks or Warrants (in millions) Number	Annual Volume of Checks or Warrants (in millions) Amount	Electronic Funds Transfers (in millions) Used	Electronic Funds Transfers (in millions) Annual Volume	State Bank Accounts Reconciled
Alabama	★	Comptroller			4	9,000			monthly
Alaska	N/R								
Arizona	N/R								
Arkansas	★	Auditor			2.6	2.3			monthly
California	★	Comptroller							monthly
Colorado	★	Administration			3.6	4.2	★	$200	monthly
Connecticut	★	Comptroller	★	Treasurer (a)					
Delaware			★	Dept. of Finance	2.6	700			monthly, semi-monthly
Florida	★	Comptroller							daily
Georgia			★	Each agency		4,500			monthly
Hawaii	★	Comptroller		Dir. of Finance(b)			★		monthly
Idaho	★	Auditor		(c)					monthly
Illinois	★	Comptroller			14.1	14,200	★	1,000	weekly, daily
Indiana	★	Auditor					★	1	monthly
Iowa	★	Comptroller	★	Treasurer			★		daily
Kansas	★	Director of Accounts and Reports			4.6	3.4			bi-monthly
Kentucky			★	Treasurer	7		★(d)		monthly
Louisiana			★	Treasurer					monthly
Maine	★	Comptroller	★	Comptroller	2	700	★		monthly, weekly
Maryland			★	Treasurer	3.2				daily
Massachusetts			★	Treasurer	3.5	6,000	★	30	monthly
Michigan	★	Treasurer	★	Treasurer	18	1,600	★(e)	3,700	daily, monthly
Minnesota	★	Dept. of Finance, Treasurer			2	4,000			weekly, monthly
Mississippi	★	Auditor							
Missouri					5	3,600	★	360	semi-monthly
Montana	★	Auditor							monthly
Nebraska	★	Treasurer			2.3	4,800			daily, monthly
Nevada	★	Controller			.6				
New Hampshire			★	Treasurer	1.1	1,000			bi-weekly
New Jersey			★	Treasurer	16	10,000	★	30,000	daily, monthly
New Mexico	★	6 agencies		Treasurer			★	30	monthly
New York			★	Comptroller /Treasurer					monthly
North Carolina	★	Disbursing Officer, State Agencies			15	15,000	★		monthly, semi-monthly
North Dakota	N/R								
Ohio	★	Auditor			21.5	15,271.6	★	9.85(f)	daily, weekly, monthly
Oklahoma	N/R								
Oregon	★	State Agencies			9	10,000	★		monthly
Pennsylvania	★	Treasurer	★	Treasurer	35		★		daily
Rhode Island			★	Comptroller /Treasurer	2	1,500			monthly
South Carolina	★	Comptroller	★	Treasurer			★		
South Dakota	★	Auditor							monthly
Tennessee	★	Dept of Finance and Administration					★	110	monthly
Texas	★								monthly
Utah	★	Dept. of Finance	★	Treasurer	2.2	2,000	★	600	monthly
Vermont			★	Treasurer			★	(g)	monthly
Virginia			★	Comptroller	8.5	6,000	★	1.8	daily
Washington	★	Treasurer			3.8	15,200	★	3,400	monthly
West Virginia	★	Auditor			3.5	3,300	★	1.5	monthly
Wisconsin			★	Dept. of Administration and Treasurer	6.8	26,600(h)	★	16,200	monthly
Wyoming	★	Auditor			.540	1,200	★		daily, monthly
Puerto Rico			★	Treasurer	6	5,000			monthly

Key: N/R - No Response
(a) Based on warrant
(b) To redeem warrants and pay debt service
(c) Treasury checks used for investments
(d) Payroll EFT's to be available 1/1/83
(e) Local clearinghouse banks cash letter and debt service payments
(f) Figure represents 1 department only
(g) 10 percent of payroll
(h) Includes checks written for EFT

Table 39
PAYMENT OF BOND COUPONS
(Question G13)

State	Direct	Through Fiscal Agent	Selection of Fiscal Agent
Alabama	★	★	By Governor and/or Treasurer
Alaska	N/R		
Arizona	N/R		
Arkansas	N/A		
California	★	★	Negotiation or bid
Colorado	★	★	Bid
Connecticut		★	Competitive bid
Delaware		★	Bid
Florida		★	Bid
Georgia		★	Bid
Hawaii	★	★	Quality of serves, competitive fees
Idaho	★	★	Bid
Illinois		★	Bid
Indiana		★	N/R
Iowa	★(a)		
Kansas	★(b)		Municipality on issues over $200,000
Kentucky	N/A		
Louisiana		★	Administratively
Maine		★	Bid
Maryland		★	Negotiation; bid after 7/1/83
Massachusetts	★	★	N/R
Michigan		★	Treasurer's approval after consulting with underwriters
Minnesota		★	Negotiation
Mississippi	★	★	N/R
Missouri		★	Board of Fund Commissioners
Montana	★	★	As recommended by investment banker
Nebraska	N/A		
Nevada	★	★	N/R
New Hampshire		★	Treasurer
New Jersey		★	Treasurer and bid
New Mexico		★	Bid every four years
New York		★	Bid
North Carolina		★	Bid
North Dakota	N/R		
Ohio	★	★	Public Facilities Commission; Sinking fund
Oklahoma	N/R		
Oregon	★	★	Bid
Pennsylvania		★	Appointment
Rhode Island		★	Treasurer
South Carolina		★	N/R
South Dakota	N/A		
Tennessee		★	State Funding Board
Texas	N/R		
Utah		★	Fiscal agency is part of bond package bid
Vermont		★	Treasurer
Virginia	★		
Washington		★	Bid
West Virginia		★	Treasurer
Wisconsin	★	★	Bid
Wyoming	N/A		
Puerto Rico	★		

Key: N/R - No Response
(a) Revenue bonds
(b) Municipal bond coupons

Appendix A

STATE CASH MANAGEMENT SURVEY
1982

Section I

A. Office of State Treasurer
1. Term length
2. Number of terms allowed
3. Method of selection
4. Annual salary
5. How many consecutive years has the current treasurer been in office?
6. When does the current year of office end?
7. What are the amenities that accrue to the position of state treasurer?
8. What boards and commissions is the state treasurer a member of?

B. State Treasury Organization
1. What is the legal basis for your office?
2. What is the organization location of the treasury?
3. How many employees are included in the treasurer's office?
4. What is the total budget of the state treasurer's office for the fiscal year ending in 1982?
5. What is the source of funding for the treasurer's office for the fiscal year ending in 1982: a) state appropriation (general fund, revolving or dedicated fund, funded from interest earnings); b) administrative fees (income for services provided); c) other.

C. State Treasury Functions
1. Who has the responsibility for the initial collection of the following revenues: personal income tax; corporate income tax; inheritance tax; excise tax; sales tax; license fees; penalties; state agency or department fees; revenue from federal sources; other intergovernmental sources; other?
2. Who is responsible for the following disbursement activities: pre-audit; preparation of actual disbursement documents; endorsement of disbursement; distribution of disbursements to payee; final actual presentation for payment of claims; redemption through bank depositories; other?
3. In addition to the receipt and disbursement functions listed in the preceding questions, is the State Treasurer responsible for: investment of excess state funds; investment of long-term retirement and/or trust funds; state debt program (issuer of debt, servicing of debt); unclaimed property?
4. What other functions or activities are the responsibility of the State Treasurer?
5. Does the treasury act as the archives or depository for documentation of completed disbursement transactions?

D. Investment Policy of Excess State Funds
1. If investment policy regarding excess state funds is determined by a board or commission, what is the composition of this body?
2. Is investment management conducted by a salaried employee of your state? Does your state use the services of someone outside of state government for counseling; management? If yes, is this practice provided for by statute?
3. If investment management is conducted by a salaried employee of your state, are the duties full-time or part-time and what is the annual salary of this position?
4. If your state uses the services of someone outside of state government for counseling or management, what is the annual cost of services from a firm?
5. Does the person responsible for portfolio management invest in a systematic manner (daily, weekly, monthly, or quarterly), as funds become available; or other?
6. On the average what is the composition of your portfolio expressed as a percentage for the following maturities: overnight; 1-5 days; 6-30 days; 31-90 days; 91-180 days; 181-360 days; over 360 days.
7. Do you hold treasury balances in time deposits? If yes, how many banks and savings and loan associations hold state treasury balances in time deposits (including CDs) within the following range of balances: 1) $0-$100,000; 2) $100,000-$250,000; 3) $250,000-$500,000; 4) $500,000-$1,000,000; 5) $1,000,000-$5,000,000; 6) over $5,000,000. What criteria are used in the selection of banks and savings and loans?
8. What are the criteria used in allocation of time deposits among these selected banks (statutory, administrative)?
9. Is preference given to state banks for holding treasury balances in time deposits? If yes, is this practice statutory or administrative?
10. Is preference given to state banks for making purchases of CDs? If yes, is this practice statutory or administrative?
11. How are purchases of CDs allocated among the institutions from whom purchases are made? Is this practice statutory or administrative?
12. Do you use repurchase agreements for investing treasury balances? If no, are there statutory restrictions against their use?

13. Are the monies which accrue to or which are appropriated to any special state fund or agency, managed under special guidelines or given special consideration with respect to investment policy? If yes, what kind of special treatment?

14. Through what type of financial intermediary do you conduct your purchase of investment instruments (commercial bank; brokerage firm; Federal Reserve system; thrift institutions; credit union; other)?

15. What was the amount of interest earned (excluding the retirement fund) for the last fiscal year?

16. What was the rate of return on investments for the last fiscal year?

17. What was the average percentage of total funds invested for the last fiscal year?

18. If the state treasurer is responsible for pension fund investing, please list the authorized investments.

19. Do you assist local governments to invest their funds by: operating an investment pool for local governments; offering assistance to individual local governments?

20. Are certificates of deposits in out-of-state banks allowed? If yes, what percentage of certificates of deposit are in-state; out-of-state?

21. What is the average daily amount of state funds offered for investment?

22. Are you restricted by statute as to the investment forms in which you may engage your treasury financial resources? If yes, which investment instruments are you prohibited from using?

E. Portfolio Composition

1. Please indicate a breakdown of the State Treasury's portfolio at your fiscal year-end for 1981 and 1982. Exclude retirement fund balances from each of the categories: certificates of deposit (negotiable; non-negotiable); cash; time deposits exclusive of CDs; demand deposits; U.S. Treasury Securities (Treasury bills; certificates of indebtedness; U.S. notes and/or bonds); Federal Agency Securities (Federal Land Bank; banks for co-ops; federal intermediate credit banks; Federal National Mortgage Association; Federal Home Loan Bank; other); commercial paper; bankers acceptances (domestic; foreign); repurchase agreements; reverse repurchase agreements; other.

F. Cash Management

1. When were the state's cash management practices last reviewed or updated (cash projections; cash mobilization; banking relations; investment practices; other)?

2. Who conducted the cash management review for each of the following: cash projections; cash mobilization; banking relations; investment practices (state employee or name of firm)?

3. If changes were implemented, who implemented them (state employee or name of firm)?

4. Has your agency utilized any of the following cash management services: collection services; funds mobilization (Federal Reserve wire transfer system, bank wire transfer system, depository transfer checks, other); disbursement techniques (zero balance accounts, bank drafts, controlled disbursement programs, other); cash management information services; account reconcilement services; data transmission services; business services or service bureaus; automated clearinghouse network.

5. Does your agency regularly analyze (either internally or through consultant services) float within the state's collection and disbursement processes?

6. Do you use an automated system for cash flow forecasting? If yes, was the system purchased or developed in-house? Indicate name of system.

G. Other Activities

1. Do you have a securities lending program? If yes, who operates it?

2. Where do you hold securities? If securities are held in a custodian bank, is it in-state; New York, other?

3. Does your state use warrants?

4. Does your state issue state checks instead of warrants?

5. Who issues state checks?

6. What is the approximate annual volume of checks in number and amount?

7. Does your state utilize electronic funds transfers as a payment mechanism? If yes, what is the annual volume?

8. What is the frequency of reconciling state bank accounts?

9. Do you collateralize state funds in deposits in state banks and thrift institutions above the federal insurance level?

10. What percent of demand deposits are required to be collateralized?

11. Do you operate a pool of collateral for banks to secure deposits of local units of governments?

12. What is acceptable collateral (direct obligations of U.S. Government; general obligations of the state; general obligations of counties or municipalities in your state; other)?

13. How does your state pay bond coupons?

State Cash Management (page 15)

1. What governs the state investment policy?
2. Who determines the state investment policy?
3. Who is responsible for the investment of state funds?
4. What governs the policy of bank selection?
5. Who determines the banks in which demand deposits are held?
6. By what method are banks selected for demand deposits?

Funds Management Under State Treasurer's Jurisdiction, by Type and Percentage of All Funds (page 17)

1. Which state funds, if any, are under the investment management jurisdiction of the treasurer, e.g., general funds; special funds such as public authorities, retirement?
2. What percentage of all state funds are those listed below?

Guidelines for Portfolio Composition (page 18)

1. Please list the primary guidelines which you employ in determining portfolio composition.

Treasury Balances to be Invested (page 19)

1. What statutory or administrative guidelines are employed in the determination of the total amount of treasury balances to be invested?

Time Period of Investment (page 20)

1. What statutory or administrative guidelines are employed in the determination of the time periods for which investments are made?

Distributing TDs and CDs (page 21)

1. What statutory or administrative guidelines are employed in the distribution of invested treasury balances between time deposits (including CDs) and other forms of investments?

Time Deposit Interest Rates (page 22)

1. Indicate the method of determining time deposit (including CDs) interest rates.
2. Who is responsible for determining the interest rate to be paid on treasury balances placed in time deposits (including CDs)?

Selecting Banks for Demand Deposit Investments (page 23)

1. Are there guidelines for determining the total amount of state treasury funds to be placed in demand deposits?
2. If yes, describe these guidelines and indicate whether statutory, constitutional, or administrative.

Distribution of Demand Deposits (page 24)

1. How many banks are used for holding demand deposits?
2. How many of these banks are active depository banks (i.e. those upon which checks are drawn)?
3. What is the total number of banks currently operating in your state?
4. How do you select banks for holding demand deposits?
5. What compensation is provided to active depository banks in return for their services?
6. What method is used to determine the amount of this compensation?

Appendix B

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